



Annual Report on the OECD Guidelines for Multinational Enterprises 2015



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Foreword

This report covers the activities undertaken to promote the effective implementation of the OECD Guidelines for Multinational Enterprises (hereafter the “Guidelines”) by the OECD Secretariat, adhering governments and their National Contact Points (NCPs) during the period July 2014 to December 2015.

This report includes four chapters. The first chapter, *Legislative and policy developments in support of the Guidelines*, provides an overview of regulation and policies introduced during the reporting period which make reference to or supports implementation of the Guidelines. The second chapter, *Activities of the National Contact Points*, describes the promotional activities as well as the specific instance proceedings of the 46 OECD National Contact Points (NCPs) over the last reporting period. It also includes discussion of actions taken to strengthen the NCPs through peer reviews, capacity building and peer learning. The third chapter, *Implementing the Guidelines in specific sectors*, describes the progress and activities under the Proactive agenda in the extractive, garment and footwear, agriculture and financial sectors. The fourth chapter, *Outreach and co-operation with partners*, describes the OECD’s activities with countries that do not currently adhere to the Guidelines.

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Executive summary

Every year, the Investment Committee submits a report to the OECD Council on the implementation of the OECD Guidelines for Multinational Enterprises (hereafter the “Guidelines”). This report covers the activities undertaken by adhering governments and their National Contact Points (NCPs) to promote the effective implementation of the OECD Guidelines for Multinational Enterprises (hereafter “the Guidelines”) and engage with non-adhering countries during the period July 2014 to December 2015. Up until June 2014, annual reports covered the period June-June. In 2014, the Working Party on Responsible Business Conduct decided that, as from 2015, the reporting period would cover the calendar year. As a transition, this report covers a period of 18 months.

Legislative and policy developments in support of the Guidelines

Integrating references to responsible business conduct (RBC) standards into national and international policy can be an effective way of raising awareness of evolving expectations regarding such standards and of promoting change in business conduct. This reporting period saw impressive developments with regard to recognition of the Guidelines and their recommendations in the context of international and domestic policy.

In June 2015, G7 Leaders made a high level endorsement of RBC initiatives which made clear that RBC issues were a top priority for the 2015 agenda. The 2015 Ministerial Council Statement encouraged efforts to widen adherence to the MNE Guidelines. Important milestones in the global sustainable development agenda, namely the launch of the Sustainable Development Goals and the Agreement on Climate Change reached at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (COP 21) held in Paris, also provided a strong platform for promoting RBC.

Stronger references to RBC were included in OECD instruments in 2015. The updated Policy Framework for Investment released in June 2015 includes a strengthened chapter on RBC and the G20/OECD Principles of Corporate Governance contain numerous references to the Guidelines. Additionally, the criteria regarding the Guidelines and the NCP mechanism in procedures for adherence to the OECD Declaration on International Investment and Multinational Enterprises (OECD Investment Declaration) and for accession to the OECD Convention have been reinforced.

Several legislative developments over the past 18 months have addressed due diligence in supply chains in line with recommendations of the Guidelines. The UK has enacted the Modern Slavery Act which references the Guidelines in its statutory guidance, and the EU is drafting a regulation on conflict minerals that is based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In addition, there has been progress in regulation of non-financial reporting. Most significantly, the EU Directive on disclosure of non-financial and diversity information entered into force 6 December 2014. It recognises the

disclosure chapter of the Guidelines as an appropriate reporting framework and promotes reporting on supply chain due diligence.

RBC criteria and references to the Guidelines were also included in economic instruments and agreements, including in the context of export credit agencies' (ECA) policy, and trade and investment agreements. Finally, many adherent countries have developed or are in the process of developing National Action Plans on Business and Human Rights which rely on the Guidelines as a core framework, and reference the National Contact Point as a key mechanism to promoting access to remedy.

Activities of the National Contact Points

All governments adhering to the Declaration on International Investment and Multinational Enterprises are also required to adhere to the Decision of the Council on the OECD Guidelines for Multinational Enterprises. This Decision contains the legally binding obligation for adherents to set up a National Contact Point (NCP), to further the effectiveness of the Guidelines, and make human and financial resources available to their NCP to fulfil their responsibilities.¹ NCPs have the mandate of furthering the effectiveness of the Guidelines by undertaking promotional activities, handling enquiries and contributing to the resolution of issues related to the Guidelines in specific instances. Of the 46 adhering governments, a total of 44 have an NCP in place, the exceptions being Egypt and Jordan, which by end 2015, did not appear to have an NCP contact, a website, or any kind of NCP-related activity.

In the G7 Leader's Declaration in June 2015, G7 governments committed to strengthen mechanisms for providing access to remedies, including the NCPs, and the 2015 Ministerial Council statement called on the OECD to continue its efforts to further strengthen the performance of NCPs. In response to this call, the OECD Working Party on Responsible Business Conduct and the OECD Investment Committee adopted an Action Plan to strengthen NCPs, setting out three tracks of enhanced activity, including peer reviews, capacity building, peer learning and tool development.

The specific instance mechanism is a unique feature of NCPs, and distinguishes the Guidelines from other international RBC instruments. From June 2014 to December 2015, a total of 52 new specific instances were submitted to the NCPs, and a total of 49 specific instances were closed. Of these, agreement was reached in 14 (ca. 29%) cases. These specific instances led to significant results, including changes to company policies, remediation of adverse impacts, and strengthened relationships between parties. For example, in one specific instance concerning the Tazreen factory fire in Bangladesh, a garment company committed to improving fire and building safety standards in its supplier factories. In another case an oil exploration company committed to cease exploration in a UNESCO recognised national park and "not to conduct any operations in any other World Heritage site". Additionally, during this reporting period, for the first time, government support in foreign markets was withdrawn from a company for failure to engage in dialogue around a specific instance.

Human rights issues were the most prevalent theme raised among submitted specific instances during this reporting period, demonstrating the NCP's important role as a grievance mechanism for business and human rights. In terms of sectors, a large number

¹. Decision of the Council on the OECD Guidelines for Multinational Enterprises as amended in 2011.

of submissions related to operations from the financial sector. Additionally during this reporting period, two specific instances were brought regarding mega-sporting events. As a result of one of them, Formula One publicly committed to respecting internationally recognised human rights. A specific instance involving FIFA is ongoing.

In general, specific instances have been concluded within the indicative timeframe provided for in the Procedural Guidance, but there are also some exceptions. Currently seven NCPs have specific instances lasting over two years since the date of the original submission. Another area where more efforts are needed is the publication of a final statement: nine NCPs have concluded at least one specific instance after 2011 without issuing a final statement. This is not in line with the Procedural Guidance, which since the 2011 update requires that NCPs make the results of a specific instance publicly available.

Besides dealing with specific instances, one of the key functions of NCPs is to promote the Guidelines. A total of 28 NCPs have created a promotional plan for the Guidelines and 24 NCPs held promotional events during the reporting period, including three NCPs that have organised awareness-raising events in different cities across their countries. In addition, a total of 29 NCPs promoted the Guidelines in events organised by or for other stakeholders.

Two of the core criteria for NCPs are visibility and accessibility. Most governments have made their NCP visible, e.g., via a dedicated website. A total of 29 NCPs have published information on procedures on their website explaining the specific instance process. On the other hand, seven adhering governments do not have a website in place on the Guidelines or the NCP.

NCPs are required to meet regularly to share experiences, and report to the Investment Committee. Most NCPs have fulfilled these obligations, though four NCPs did not attend the annual meeting of NCPs in both 2014 and 2015. In 2014, a total of six NCPs did not report to the OECD Investment Committee; and in 2015, four NCPs did not report.

NCPs are encouraged to engage in peer reviews and peer learning. Two voluntary peer reviews were carried out or initiated during the reporting period, on the basis of a peer review template adopted by the Working Party on Responsible Business Conduct in 2015. The peer review of the NCP of Denmark was presented to the National Contact Point meeting in June 2015, and the on-site visit for the peer review of Belgium took place in November 2015. In addition, twelve governments have committed to a voluntary peer review of their NCP during 2016-18.

During 2015, the Secretariat carried out a stocktaking of NCP activities and experience over the past 15 years, since the creation of the NCPs in their current format in 2000. BIAC, TUAC and OECD Watch also produced specific reports and materials related to the “15 years of NCPs”. The stocktaking and feedback from stakeholders will be used to provide targeted support to NCPs and further strengthen the NCP system.

Implementing the Guidelines in specific sectors

In 2009, the OECD began working on the sector-specific application of the Guidelines, starting with a programme on responsible supply chains of minerals from conflict-affected and high-risk areas. Recognising the success and effectiveness of focused, multi-stakeholder collaboration, adherents to the Investment Declaration called for the OECD to pursue a so-called “Proactive Agenda” during the 2011 update of the

Guidelines, which would entail collaborative, demand-driven work with OECD and non-OECD countries, business, workers and civil society to implement the Guidelines in specific sectors or geographies.

Since then, sector projects on responsible business conduct continue to be a major and growing pillar of work, with current projects on (i) responsible mineral supply chains; (ii) stakeholder engagement in the extractive sector; (iii) responsible agricultural supply chains; (iv) responsible garment and footwear supply chains, and (v) responsible business conduct in the financial sector. This work has contributed to redefining risk in industry sectors and global supply chains, marking a shift away from traditional commercial risk management to a more holistic approach that addresses risks of business impacts on society and the environment, with a view to promoting inclusiveness and growth.

Key achievements in 2015 include the approval by the Investment Committee of the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector and the OECD-FAO Guidance for Responsible Agricultural Supply Chains.

Strong co-operation with Chinese government and industry partners led to the development of the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains* which are based on the *OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.

Other highlights include the preparation of the draft *OECD Guidance for Responsible Supply Chains in the Garment & Footwear Sector* and the successful hosting of a Roundtable on Due Diligence in the Garment and Footwear Supply Chain in 2014 (jointly with the International Labour Organization) and in 2015. A new phase of work on the financial sector was launched to elaborate good practices for responsible business conduct in (i) investment (asset ownership and management), (ii) asset & project finance, and (iii) corporate finance.

Outreach and Co-operation with Partners

Promoting dialogue and deepening engagement on responsible business conduct with countries that do not adhere to the Guidelines has been one of the top priorities of the adherents since the Guidelines were updated in 2011. Co-operation is maintained with a number of key countries, either through regional, country, or sector programmes, as well as the Global Forum on Responsible Business Conduct.

Several outreach efforts in 2015 are worth highlighting. Co-operation with China was strengthened on a number of topics including responsible business conduct on the occasion of the 20th anniversary of its relationship with the OECD. Two workshops were held in Beijing in 2015, one on the Guidelines and the NCPs, and one related to responsible minerals supply chains. The focus on Southeast Asia was maintained through regional and country-specific events and a systematic integration of responsible business conduct issues in investment policy reviews. Two roundtables were held in India to discuss practical solutions to issues in the Indian section of the global garment and footwear and gold supply chains.

The 2015 Global Forum on Responsible Business Conduct (GFRBC), held from 18-19 June 2015 at the OECD in Paris, brought together over 750 participants from governments, businesses, trade unions, and civil society. A key message from the discussion is that there is a need to scale up and speed up action on responsible business

conduct both by businesses and governments. This GFRBC was the first OECD event organised according to OECD greening policies intended to reduce the environmental impact of meetings. In connection with the Forum, a workshop on National Action Plans (NAPs) was held on 17 June, co-hosted by the Chair of the OECD Working Party on Responsible Business Conduct and the Chair of the UN Working Group on Business and Human Rights, which attracted over 80 policy makers to discuss best practices and challenges in the development of NAPs on Responsible Business Conduct and NAPs on Business and Human Rights.

Introduction and overview

Every year, the Investment Committee submits a report to the OECD Council on the implementation of the OECD Guidelines for Multinational Enterprises (hereafter the “Guidelines”). This report covers the activities undertaken by: adhering governments and their National Contact Points (NCPs) to promote the effective implementation of the Guidelines and engage with non-adhering countries during the period July 2014 to December 2015. Up until June 2014, annual reports covered the period June-June.¹ In 2014, the Working Party on Responsible Business Conduct decided that, as from 2015, the reporting period would cover the calendar year. As a transition, this report covers a period of 18 months.

Chapter 1 provides an overview of legislative and policy developments in support of the Guidelines, which were particularly numerous during the July 2014-December 2015 period. Developments include references to the Guidelines in domestic legislation (e.g. the UK Modern Slavery Act), trade strategies (the EU trade and investment strategy) and trade agreements (e.g. the EU-Singapore Free Trade Agreement). Particular highlights were the inclusion of strong references to the Guidelines and the NCPs in the G7 Leaders’ Declaration and the Statement of the OECD Ministerial Council Meeting.

Chapter 2 summarises activities of the National Contact Points, and provides an overview of the specific instances submitted to NCPs during the 18 months of the reporting period. Particular highlights include the support given to strengthen the NCP system by G7 Leaders and by the Ministerial Council Meeting. Of the 46 adhering governments, a total of 44 have an NCP in place, the exceptions being Egypt and Jordan, which currently do not appear to have an NCP contact. A total of 52 specific instances were submitted to the NCPs, and a total of 49 specific instances were closed during the reporting period. A number of horizontal learning events were organised by NCPs or with their support during the reporting period. Peer reviews of two NCPs (Denmark and Belgium) were undertaken or initiated in 2015. At the end of 2015, an Action Plan to strengthen NCPs was adopted, which includes a range of activities to be undertaken in 2016-18, including training, support, peer reviews and learning events.

Chapter 3 summarises activities related to sector projects (projects carried out under the so-called Proactive Agenda), which focuses on collaborative, demand-driven work with OECD and non-OECD countries, business, workers and civil society to implement the Guidelines in specific sectors or geographic locations. Major breakthroughs included the approval of the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector of the OECD-FAO Guidance for Responsible Agricultural Supply Chains (“OECD-FAO Guidance”), and their respective implementation plans. Both guidance reports were developed with significant multi-stakeholder support.

¹. See OECD (2014), [Annual Report on the OECD Guidelines for Multinational Enterprises: 2014: Responsible Business Conduct by Sector](#), OECD Publishing.

Chapter 4 deals with outreach activities, which in 2015 focused on China, with two workshops organised jointly with the Chinese authorities, one on the Guidelines and the National Contact Points in May 2015; one on responsible minerals supply chains in December 2015. The latter was also the occasion for the launch of the development of the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains*, which are based on the *OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. This chapter also provides highlights of the 3rd edition of the Global Forum on Responsible Business Conduct, held in June 2015.

The Annexes include a summary of references to the Guidelines and NCP statements in export credit agencies' policies and procedures (Annex I); a summary of specific instances closed during the reporting period (Annex II); tables providing overviews of all NCPs, NCP-organised events, and participation in proactive agenda advisory groups (Annexes III-V); key findings and recommendations of the peer review of Denmark's NCP (Annex VI); statements by BIAC, TUAC and OECD Watch (Annex VII); and an overview of highlights in sector projects under the proactive agenda (Annex VIII).

Chapter 1

Legislative and policy developments in support of the Guidelines

Integrating references to RBC standards into national and international policy can be an effective way of raising awareness of evolving expectations regarding such standards and of promoting change in business conduct. This chapter summarises the significant developments in 2015 in this field, with a focus on references to the Guidelines and other RBC instruments in the context of international and national policy and legislation.

International support for the Guidelines

High-level statements

The G7 Leader's Declaration released (7-8 June 2015)¹ made it clear that RBC issues were a top priority for the 2015 agenda. G7 Leaders' paid specific attention to responsible supply chains and pledged to "strive for better application of internationally recognised labour, social and environmental standards, principles and commitments (in particular UN, OECD, ILO and applicable environmental agreements) in global supply chains," and to "encourage enterprises active or headquartered in [G7] countries to implement due diligence procedures regarding their supply chains, e.g. voluntary due diligence plans or guides." Specific encouragement was given to international efforts, to promulgate industry-wide due diligence standards in the textile and ready-made garment sector. The statement also pledged to help small and medium-sized enterprises (SMEs) develop a common understanding of due diligence and responsible supply chain management.

In addition to supply chain due diligence the statement committed to "strengthening mechanisms for providing access to remedies including the National Contact Points (NCPs) for the Guidelines for Multinational Enterprises [through encouraging the] OECD to promote peer reviews and peer learning on the functioning and performance of NCPs" and through leading by example to make sure NCPs of G7 countries are effective.

The 2015 Ministerial Council Statement on Unlocking Investment for Sustainable Growth and Jobs also expressed strong support to the Guidelines and called on the OECD to continue its efforts to further strengthen the performance of NCPs, including through voluntary peer reviews and the exchange of best practices. Furthermore the Ministerial statement included broad endorsement of the OECD's work on RBC and encouraged the OECD to widen adherence to the Guidelines, inviting the OECD to study options in that regard. In response, the OECD Secretariat developed a series of notes describing different approaches that may be pursued to facilitate wider adherence to the Guidelines, for discussion in the Working Party on Responsible Business Conduct and the Investment Committee. The proposed approaches range from options including modification of the adherence process to the Declaration, as well as options not involving modification of

¹. G7 (2015), [Leaders' Declaration G7 Summit](#), 7–8 June 2015.

formal processes. In parallel, outreach efforts have continued and significant progress in engaging with non-adhering countries, in particular, the People's Republic of China, has been achieved (see Chapter 4).

RBC in OECD instruments

Strengthened references to RBC in OECD instruments were also achieved in 2015, promoting policy coherence and further raising the profile of RBC. One example is the updated Policy Framework for Investment released in June of 2015², which now includes a strengthened chapter on RBC with clear recommendations on how governments can enable RBC through regulation, facilitation, co-operation, promotion and exemplifying RBC through their own conduct. The strengthened RBC chapter has since been applied to investment policy review of the Philippines and will be used in future investment policy reviews (see Chapter 4).

Additionally, 2015 saw the launch of the G20/OECD Principles of Corporate Governance³ which also include references to the Guidelines. Specifically the updated principles mention the Guidelines as a reference for corporate disclosure obligations⁴, with regard to corporate codes of conduct for boards to apply high ethical standards and take into account the interests of stakeholders⁵, and generally with regard to respecting the rights of stakeholders.⁶

A stronger focus on RBC in adherence and accession reviews

Past reviews leading to the adherence of non-Members to the OECD Declaration on International Investment and Multinational Investment have reviewed the candidate country's policies in support of RBC and their commitment to promote the Guidelines and set up a National Contact Point. However, many non-Member adherents are still facing a lack of understanding of the commitments undertaken under the Guidelines and their National Contact Points, to the extent they exist, and lack the resources and support necessary to carry out their functions. Similarly, in the past, the procedures for accession to the OECD Convention have provided a good opportunity to review the candidate's commitments under the Guidelines, in the case of candidates for accession which were already adherents to the Declaration, but these procedures can further be strengthened.

Building in stronger criteria with regards to the Guidelines and the NCP mechanism in accession and adherence procedures will help to ensure that the OECD accession (or Adherent) candidate countries fully meet the requirements set out in the Decision on the Guidelines particularly with regard to the Procedural Guidance for NCPs.

² OECD (2015), [Policy Framework for Investment](#), OECD Publishing, Paris.

³ OECD (2015), [G20/OECD Principles of Corporate Governance](#), OECD Publishing, Paris.

⁴ Id. Chapter V, Disclosure and Transparency, Preamble.

⁵ Id. Chapter VI, The responsibilities of the board. Section C.

⁶ Id. Chapter IV, The role of stakeholders in corporate governance, Section A, E.

Reviews for adherence to the Declaration on International Investment and Multinational Enterprises

As part of the work plan to strengthen NCPs, more efforts are now being undertaken with regard to procedures for adherence to the Declaration, to assist candidate countries in understanding their commitments under the Guidelines, which include setting up a functional NCP. For example, particular emphasis is being placed on ensuring that adhering countries fully understand both the importance of an enabling policy framework to support uptake of responsible business conduct standards, and the obligations of adhering countries to implement the Guidelines and set up a fully functioning NCP that meets the core criteria set out in the Decision on the Guidelines. To that effect, the reviews now include an experience sharing component, such as the workshop on responsible business conduct organised with the Ukrainian government on responsible business conduct and NCPs, as part of the procedure for Ukraine's adherence to the Declaration.⁷ Moreover, a stronger role for the WPRBC in assisting the Investment Committee in adherence reviews is also foreseen.

Reviews for accession to the OECD Convention

The Investment Committee is scheduled to start the accession reviews of Costa Rica and Lithuania in 2015. The Accession Roadmaps adopted for Costa Rica and Lithuania in July 2015 included a strengthened reference to the Guidelines and NCPs in the list of Core Principles providing: "*evidence of a commitment to implement the Guidelines, in particular the existence of a NCP that operates in accordance with the provisions set out in the Decision of the Council on the OECD Guidelines for Multinational Enterprise [...]*". In December 2015, the Investment Committee agreed to a procedure allowing for a focussed review by the WPRBC of the candidates' commitments under the Guidelines, as part of the accession review.

RBC in support of the Global Agenda

The launch of the Sustainable Development Goals (SDGs) as well as the organisation of the 21st Conference of the Parties to the UN Framework Convention on Climate Change (COP 21) in 2015 provided global platforms for promoting the Guidelines.

Business can play an instrumental role in supporting sustainable development and in this regard the Guidelines directly support many of the aims of the SDGs. For example RBC can contribute to promoting sustainable business practices, managing environmental impacts, contributing to resource efficiency, combatting discrimination and violence against women, respecting labour rights and employment, respecting human rights and combatting corruption and illicit financial flows. All these represent objectives of the SDGs. Discussion at the 2015 Global Forum underlined the need to involve business in supporting the SDGs and encouraged stakeholders to consider RBC as a tool to achieve implementation of SDGs. Going forward, the Secretariat will work closely with delegates and international organisations to underline the role of RBC in promoting the SDGs.

COP 21 took place in Paris in December 2015 and proved to be one of the most historical climate conferences to date. Businesses responsibility in tackling climate change was a strong theme of the event and will be critical to achieving the targets set in the Paris agreement. The Guidelines can provide a useful framework for business

⁷. [Workshop in Ukraine on responsible business conduct](#), 17 September 2015 - Kyiv, Ukraine.

involvement as they include specific recommendations with regard to greenhouse gas emissions including recommending that the businesses engage in the development and provision of products or services that reduce greenhouse gas emissions; provide accurate information on greenhouse gas emissions and explore and assess ways of improving the environmental performance of the enterprise over the longer term, for instance by developing strategies for emission reduction.

Furthermore, the disclosure chapter of the Guidelines also encourages social, environmental and risk reporting, particularly in the case of greenhouse gas emissions, as the scope of their monitoring is expanding to cover direct and indirect, current and future, corporate and product emissions. In the lead up to COP 21, France adopted groundbreaking legislation introducing mandatory disclosure of climate change-related information for institutional investors.⁸

Among the numerous events organised by the OECD in the framework of COP21, two were of particular relevance to promotion of the Guidelines. One of them discussed “Governance of Institutional Investments: Fiduciary standards for addressing green finance and the portfolio impact of climate change”.⁹ The other event focused on “Getting the most out of corporate climate change disclosure” and explored ways to make the use of climate-related information more efficient.¹⁰ A report by the OECD and the Climate Disclosure Standards Board (CDSB) taking stock of corporate reporting schemes in G20 countries served as background paper for the discussions.¹¹

Legislative developments promoting the Guidelines

Legislation on supply chain responsibility

Several national legislative developments over the past 18 months have addressed due diligence issues in the supply chain.

France introduced a legislative proposal which aims to mandate supply chain due diligence in accordance with the Guidelines.¹² If enacted, it would require companies to develop and publish a due diligence plan for human rights, and environmental and social risks or face fines of up to 10 million euros for failure to do so. The law would apply to all French companies employing 5000 employees or more domestically or 10 000 employees or more internationally. The proposal was endorsed by the French National Assembly in March 2015, but rejected by the French Senate in November 2015, and is scheduled to go back to the National Assembly for a second reading.

8. These requirements were introduced in July 2015 as part of Article 173 of the [Law for the Energy Transition and Green Growth](#).

9. OECD COP21 side events: [Governance of Institutional Investments: Fiduciary standards for addressing green finance and the portfolio impact of climate change](#), (10 December, 2015).

10. OECD COP21 side events: [Getting the most out of corporate climate change disclosure](#) (10 December, 2015) A session on corporate climate disclosure was also held as part of the [2015 Global Forum on Responsible Business Conduct](#), (19 June, 2015).

11. OECD/CDSB (2015) [Climate change disclosure in G20 countries: Stocktaking of corporate reporting schemes](#).

12. [Proposition de Loi 1897 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre](#) (29 April 2014).

A similar motion proposing mandatory human rights and environmental due diligence for Swiss corporations was put forth in Switzerland.¹³ The motion was narrowly voted down in the Swiss Parliament with a final vote of 95 against and 86 in favour. However the Swiss Coalition for Corporate Justice launched a popular initiative on the proposal, which, if it receives sufficient signatures, can launch a binding public referendum on the proposal. In order to do so 100 000 signatures must be collected before October 2016.

In March 2015, the UK enacted the Modern Slavery Act.¹⁴ The act mandates that commercial organisations prepare an annual statement on slavery and human trafficking and report on their due diligence processes to manage risks of slavery and human trafficking within their operations and supply chains. The Guidelines are referenced in the statutory guidance to section 54 of the Act, noting that “whilst not specifically focused on modern slavery, they provide principles and standards for responsible business conduct in areas such as employment and industrial relations and human rights which may help organisations when seeking to respond to or prevent modern slavery”.¹⁵

In addition to national initiatives the EU has also taken important steps in regulating responsible supply chains in the past reporting period. In the context of conflict minerals the EU is drafting a Regulation that is based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. If adopted, as of 2016 the EU consuming markets could be covered by legal provisions to promote supply chain due diligence for products containing tin, tantalum, tungsten or gold. In December 2015 the Council of EU Member States adopted a mandate for trilogue negotiations along the lines of the Commission’s original voluntary proposals. The final text of an EU Regulation needs to be agreed between the European Parliament, Council and Commission.

Additionally, on the second anniversary of the Rana Plaza tragedy the European Parliament introduced a resolution addressed to the EU Council stating that “new EU legislation is necessary to create a legal obligation of due diligence for EU companies outsourcing production to third countries, including measures to secure traceability and transparency, in line with the UN Guiding Principles on Business and Human Rights and the OECD MNE Guidelines”.¹⁶

Non-financial reporting requirements

Many legislative initiatives on supply chain responsibility use reporting or disclosure obligations among the regulatory tools to promote supply chain due diligence. In addition to specific supply chain initiatives, 2015 saw progress in regulation of non-financial reporting.

Most significantly, the EU Directive 2014/95/EU on disclosure of non-financial and diversity information by certain large undertakings and groups (hereinafter “EU

¹³. [Parliament Motion 14.3671 Umsetzung des rechtsvergleichenden Berichtes des Bundesrates über die Verantwortung von Unternehmen bezüglich Menschenrechten und Umwelt](#), (1 September 2014).

¹⁴. [UK Modern Slavery Act \(2015\)](#).

¹⁵. UK Government (2015) [Slavery and human trafficking in supply chains: guidance for businesses](#).

¹⁶. EU (2015) [European Parliament resolution on the second anniversary of the Rana Plaza building collapse and progress of the Bangladesh Sustainability Compact](#).

Directive”) entered into force 6 December 2014.¹⁷ The EU Directive applies across sectors to all companies over a certain size incorporated in EU member states and listed on regulated EU exchanges. While relative flexibility has been provided with regard to how such issues are reported, the EU Directive requires that at a minimum the following elements be included:

- a) a brief description of the group's business model;
- b) a description of the policies pursued by the group in relation to environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters, including due diligence processes implemented;
- c) the outcome of those policies;
- d) the principal risks related environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the group manages those risks;
- e) non-financial key performance indicators relevant to the particular business.¹⁸

EU member states have two years to transpose the EU Directive into national legislation. It is envisioned that the first company reports falling under the Directive will be published in 2018 covering financial year 2017.

The EU Directive promotes implementation of the recommendations of the Guidelines by referencing them as a framework which companies can rely upon in fulfilling their reporting obligations under the Directive and by including an expectation that companies report on their due diligence systems and outcomes. Alignment between the EU Directive and the Guidelines is helpful both for promoting the recommendations of the Guidelines as well as facilitating compliance with the Directive, as the majority of EU member states are already committed to implementing the recommendations of the Guidelines.

RBC in economic instruments and agreements

Inclusion of RBC criteria in economic instruments and agreements can provide a highly effective way of increasing awareness and application of RBC standards and encourage uptake of RBC standards among industry.

RBC and export credits agencies

One area where this has been demonstrated is in the context of Export Credit Agencies (ECAs). ECAs are a significant source of global financing and insurance, specifically with regard to financing of large scale projects and business opportunities in developing countries, which may come with risks of social and environmental impacts.

The OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence as amended on

¹⁷ EC (2014) [European Commission, Directive 2014/95/EU on disclosure of non-financial and diversity information by certain large undertakings and groups](#).

¹⁸ Id. at Article 19(a) para 1.

6 April 2016 (“the Common Approaches”) provides that “[m]embers should... [p]romote awareness of the [the Guidelines] among appropriate parties involved in applications for officially supported export credits as a tool for responsible business conduct in a global context”, and “*should... where appropriate: [...] consider any statements or reports made publicly available by their National Contact Points (NCPs) at the conclusion of a specific instance procedure under the OECD Guidelines for Multinational Enterprises*”.¹⁹

As a result many adherents have incorporated reference to the Guidelines within their ECA policies. Thirty adherents report having policies in place that either directly reference the Guidelines or indirectly reference them through the Common Approaches, and 25 adherents report that NCP statements are taken into account in reviews of applications to the ECA, of these 6 report having formal procedures in place for review of NCP statements (See Annex I).

RBC and economic diplomacy

In 2014 Canada released its Enhanced Corporate Social Responsibility (CSR) Strategy, “*Doing Business the Canadian Way: A Strategy to Advance Corporate Social Responsibility in Canada’s Extractive Sector Abroad*”.²⁰ The strategy highlights promotion and dissemination of the Guidelines as widely-recognised international CSR performance and reporting guidelines.

The CSR strategy also emphasises the role of Canada’s NCP in implementing its objectives. Importantly under the strategy companies are encouraged to participate in the NCP mechanism and “[a]s a penalty for companies that do not embody CSR best practices and refuse to participate in the CSR Counsellor’s Office or NCP dispute resolution processes, Government of Canada support in foreign markets will be withdrawn”. In a specific instance concluded by the Canadian NCP in 2015, this was imposed for the first time against a company that refused to engage in dialogue through the NCP (See Chapter 2).

RBC in trade and investment agreements

Inclusion of RBC criteria in trade and investment agreements is a growing practice. A paper developed by the OECD Secretariat in preparation for the 2014 informal ministerial meeting on RBC found that more than three quarters of recently concluded international investment agreements (IIAs) (i.e. between 2008 and 2013) contain language on sustainable development or RBC and virtually all of the investment treaties concluded in 2012 and 2013 include such language. Out of the 54 countries covered by the survey, 47 have included some language on sustainable development or RBC in at least one of their treaties.²¹

This trend has continued. For example the EU Commission is proposing a new trade and investment strategy for the European Union which includes strong references to the Guidelines. The strategy states that the Commission will “encourage the EU’s trading

19. OECD (2012) Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence paragraph 4 (iii), 15.

20. Global Affairs Canada (2014) [Canada’s Enhanced Social Responsibility Strategy to Strengthen Canada’s Extractive Sector Abroad](#).

21. Kathryn Gordon (2014), [Investment treaty law, sustainable development and responsible business conduct: a fact finding survey](#), OECD Publishing.

partners to comply with [...] international principles and in particular the OECD Guidelines for Multinational Enterprises”.²²

The EU-Singapore Free Trade Agreement signed in 2015 also makes explicit reference to social responsibility practices and the Guidelines providing: “When promoting trade and investment, the Parties should make special efforts to promote corporate social responsibility practices which are adopted on a voluntary basis. In this regard, each Party shall refer to relevant internationally accepted principles, standards or guidelines that it has agreed or acceded to, such as the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises [...]”.²³

The EU and Georgia signed an Association Agreement (AA) on 27 June 2014 which provides a bilateral framework for co-operation on political, security, economic, and social issues. Notably, Article 231 of the AA states: “(e) The Parties agree to promote corporate social responsibility, including through exchange of information and best practices. In this regard, the Parties refer to the relevant internationally recognised principles and guidelines, especially the OECD Guidelines for Multinational Enterprises”.²⁴ The EU-Ukraine Association Agreement signed 27 June 2014 provides that the Ukraine and the EU will “promote corporate social responsibility and accountability and encourage responsible business practices”, and refers specifically to the Guidelines.

The Pacific Alliance, another important economic block, has also formally promoted RBC in line with the Guidelines. In November 2015, the governments of Colombia, Chile, Mexico and Peru signed the Additional Protocol to the Pacific Alliance Framework Agreement which includes an article on Social Responsibility Policy, and a direct reference to the OECD Guidelines, within the Agreement.²⁵ The text provides that parties to the agreement should undertake to identify and share best practices to implement the commitments of the OECD Guidelines, thereby promoting the contribution of multinational enterprises to sustainable development.²⁶

RBC and development policy

The French NCP is referred to in Loi n°2014/773 dated 9 July 2014 concerning the orientation and programming relative to the policy on development and international solidarity.²⁷ The provision relates to the role of the NCP in developing recommendations for RBC in the textile and garment sector. The provision also notes that the NCP is

²² European Commission (2015), [Trade for all: Towards a more responsible trade and investment policy](#), European Commission Publishing, p. 25.

²³ [EU-Singapore Free Trade Agreement](#), Authentic text as of May 2015.

²⁴ OECD (2014) [Responsible Business Conduct in Georgia](#), OECD Publishing.

²⁵ The Pacific Alliance is an economic bloc created to negotiate and trade with other economies (generally in Asia) as a unified group. The Framework agreement dictates requirements of member countries.

²⁶ [Protocolo Adicional al Acuerdo Marco de la Alianza del Pacifico](#), Article 10.30.

²⁷ Journal Officiel De La République Française (2014), [Loi no 2014-773 du 7 juillet 2014 d'orientation et de programmation relative à la politique de développement et de solidarité internationale](#).

responsible for promoting these recommendations and that it may be approached to elaborate on implementation of the Guidelines in any other relevant sector.²⁸

National Action Plans on Business and Human Rights and on RBC

The UN encourages States to develop National Action Plans (NAPs) as part of the State responsibility to disseminate and implement the UN Guiding Principles on Business and Human Rights (UNGPs).²⁹ Many countries are developing or have developed NAPs on issues related to business and human rights based on the frameworks set out in the UNGPs and the human rights chapter of the Guidelines. Some countries are going further than just addressing human rights issues in their NAPs to include the range of issues covered under responsible business conduct as defined by the Guidelines. For example, the U.S. draft NAP addresses ways in which the U.S. government can promote and encourage established norms of responsible business conduct with respect, but not limited to, human rights, labour rights, land tenure, anti-corruption, and transparency. It also references ongoing work on RBC at the OECD as a motivating factor to developing a NAP.³⁰ NAPs represent an important resource for highlighting a country's policy with regard to human rights and business and signalling needs for future action, they are also useful tools for promoting policy coherence on business and human rights or more broadly. Additionally many countries have policies or action plans on RBC or CSR not tied to the UNGPs which are also valuable tools for promoting RBC.

Currently 10 adherent countries have developed NAPs on Business and Human Rights. In all but one of these NAPs (Lithuania being the exception) the Guidelines are referenced as a guiding standard or framework for promoting RBC and NCPs are highlighted as a non-judicial mechanism relevant to promoting access to remedy. In addition another 16 adherent countries are in the process of developing NAPs. Several of these countries have reported strong involvement of their NCPs in the development of the NAP and have noted the fact that the Guidelines are being integrated into the NAPs as a guiding instrument (Table 1).

In order to promote alignment in approaches a workshop on NAPs was co-hosted by the Chair of the OECD Working Party on Responsible Business Conduct and the Chair of the UN Working Group on Business and Human Rights on 17 June 2015 at the OECD in Paris. The event attracted over 100 participants including policy-makers and stakeholders. Participants agreed that the workshop was a useful platform for discussing these issues and that follow-on workshops would be useful as more NAPs are developed and implemented.

28. «Le Point de contact national (PCN) pour la mise en œuvre des Principes directeurs de l'Organisation de coopération et de développement économiques (OCDE) à l'intention des entreprises multinationales a élaboré des recommandations pour une conduite responsable dans la filière textile-habillement. Le PCN est chargé de la promotion de ces recommandations et pourra être saisi des conditions de mise en œuvre des Principes directeurs dans tout autre secteur d'activité pertinent ». Id.

29. OHCHR, National Actions Plans, www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx (Accessed 8 July 2016)

30. U.S. Department of State (2015), [USG National Action Plan on Responsible Business Conduct: Frequently Asked Questions](https://www.state.gov/e/eb/section-02488222.htm).

Table 1. **References to RBC in National Action Plans on Business and Human Rights**

| Country | NAP completed or pending | Reference to the Guidelines (Y/N) | Reference to NCPs (Y/N) |
|-----------------------|--------------------------|-----------------------------------|-------------------------|
| Argentina | In progress | | |
| Australia | | | |
| Austria | | | |
| Belgium | In progress | Yes | Yes |
| Brazil | In progress | Yes | Yes |
| Canada | | | |
| Chile | In progress | Yes | Yes |
| Colombia | Completed December 2015 | Yes | Yes |
| Costa Rica | | | |
| Czech Republic | In progress | Yes | Yes |
| Denmark | Completed April 2014 | Yes | Yes |
| Egypt | | | |
| Estonia | | | |
| Finland | Completed October 2014 | Yes | Yes |
| France | In progress | | |
| Germany | In progress | Yes | Yes |
| Greece | In progress | | |
| Hungary | | | |
| Iceland | | | |
| Ireland | In progress | | |
| Israel | | | |
| Italy | Completed March 2014 | Yes | Yes |
| Japan | | | |
| Jordan | In progress | | |
| Korea | | | |
| Latvia | In progress | | |
| Lithuania | Completed February 2015 | No | No |
| Luxembourg | | | |
| Mexico | In progress | | |
| Morocco | In progress | | |
| Netherlands | Completed 2013 | Yes | Yes |
| New Zealand | | | |
| Norway | Completed October 2015 | Yes | Yes |
| Peru | | | |
| Poland | | | |

| Country | NAP completed or pending | Reference to the Guidelines (Y/N) | Reference to NCPs (Y/N) |
|-----------------|---|-----------------------------------|-------------------------|
| Portugal | In progress | | |
| Romania | | | |
| Slovak Republic | | | |
| Slovenia | In progress | | |
| Spain | Completed Summer 2014 | Yes | Yes |
| Sweden | Completed August 2015 | Yes | Yes |
| Switzerland | NAP on RBC completed 2015 NAP on Business and Human Rights in progress | Yes | Yes |
| Tunisia | | | |
| Turkey | | | |
| United Kingdom | Completed 2013 | Yes | Yes |
| United States | In progress | Yes | Yes |

Chapter 2

Activities of the National Contact Points

All governments adhering to the Declaration on International Investment and Multinational Enterprises are also required to adhere to the Decision of the Council on the Guidelines. The Decision contains the legally binding obligation for adherents to set up an NCP, to further the effectiveness of the Guidelines, and make human and financial resources available to their NCP to fulfil their responsibilities.¹ NCPs have the mandate of furthering the effectiveness of the Guidelines by undertaking promotional activities, handling enquiries and contributing to the resolution of issues related to the Guidelines in specific instances.

This chapter focuses on the activities of NCPs and the OECD Secretariat in support of NCPs during the period June 2014 – December 2015. The content in this chapter is based on the responses to the annual reporting questionnaires submitted by the NCPs covering activities up to 31 January 2016, along with publicly available information.

The chapter begins by providing an overview of specific instances closed and filed within the reporting period, and addresses trends in handling specific instances during that period. It then provides highlights from the report of the OECD Secretariat taking stock of 15 years' experience of NCPs and describes follow up action to the G7 Leaders Declaration in June 2015 which committed G7 governments to strengthen mechanisms for providing access to remedies including the NCPs. The chapter also summarises inputs from institutional stakeholders BIAC, OECD Watch and TUAC regarding highlighted areas for improvement.

Overview of specific instances handled during the reporting period

Overview and key outcomes of closed specific instances

A total of 49 specific instances were closed in this reporting period: 26 that were pending as of June 2014 and 23 new notifications. Of these, 5 of the cases were filed prior to 2013. These numbers are comparable to past reporting periods taking into account the six month extension of the current reporting period. Out of these specific instances 32 were reported as concluded and 17 were not accepted for further examination. Out of specific instances reported as concluded, four were withdrawn and three were not in fact accepted for mediation at the initial assessment stage.

At the time of writing, 44 of these specific instances had been reported on the OECD specific instance database. The 5 currently unreported specific instances have only

¹. Decision of the Council on the OECD Guidelines for Multinational Enterprises, as amended in 2011].

recently been closed or are pending submission of a final statement. A summary of all specific instances closed in this reporting period can be found in Annex II.

Agreement between parties

Agreement was reached in 14 specific instances accounting for approximately 29% of all specific instances closed in this time period (See example in 1). A total of 11 (44%) cases that were accepted for mediation were concluded with an agreement between the parties and 3 of the 4 cases that were withdrawn resulted in an agreement external to the NCP process. These cases led to significant results, including changes to company policies, remediation of adverse impact and strengthened relationships between parties.

Box 1. Agreement reached through specific instance procedures

Herakles Farms affiliate and Center for Environment and Development: In 2013 the US NCP received a complaint alleging that Herakles Farms' affiliate SG Sustainable Oils Cameroon (SGSOC) had not observed the bribery provisions of the Guidelines in Cameroon. The US NCP undertook mediation resulting in agreement between the parties. The company agreed to receive a written request from the NGOs regarding the investigation of any past cases of alleged corruption, and to investigate credible cases and provide a written response back to the NGO's. This was the first mediation conducted by the office of the U.S. NCP that reached a mutually agreed resolution by all parties.²

In some cases it is possible that the NCP process helped to positively influence the resolution of issues external to the NCP process (2). Furthermore parties to specific instances have reported that engagement in mediation through the NCP mechanism can help build relationships with relevant stakeholders and avoid future disputes.

Box 2. Facilitating external agreement through specific instance procedures

ActionAid Denmark and Arla Foods: In 2014, the Danish NCP received a complaint from ActionAid Denmark regarding Arla Foods and its awareness of the need to undertake social, environmental and human rights due diligence in the context of the planned expansion of its activities in sub-Saharan Africa. ActionAid Denmark had been communicating with Arla Foods for many years to highlight the adverse impacts of exporting subsidised milk powder from Europe. However four months after a complaint was filed on this issue with the Danish NCP, the parties reached an agreement to ensure Arla's compliance with international human rights standards (including the Guidelines and the UN Guiding Principles on Business and Human Rights) in its operations in developing countries. Both parties recognised that the submission of the specific instance to the NCP served to improve the pace of the dialogue between the parties.³

². US Bureau of Economic and Business Affairs, (2015) [U.S. NCP Final Statement CED/RELUFA on the Specific Instance between the Center for Environment and Development \(CED\) with Network to Fight against Hunger \(RELUFA\) and Herakles Farms' affiliate SG Sustainable Oils Cameroon \(SGSOC\) in Cameroon.](#)

³. OECD Watch (2014) [Case Overview: Action Aid Denmark vs. Arla Foods.](#)

Changes in company policy and remediation

Eight of the specific instances closed in this reporting period resulted in change in company policy as a result of the specific instances procedure, about 16% of all the specific instances closed during this time period. For example in a specific instance concerning the Tazreen factory fire in Bangladesh, the complainant, Uwe Kekeritz, member of the German Bundestag, and Karl Rieker, a garment company, reached an agreement in which Karl Rieker committed to improve the fire and building safety standards in its supplier factories. Measures included reducing of the number of supplier factories, establishing long-term supplier relations, close supervision by local staff, and signing the Bangladesh Accord on Fire and Building Safety. Changes in company policy represent important steps to preventing future adverse impacts. In another case a change to company policy was accompanied by remediation of the adverse impact in question (3).

Box 3. Remediation through a specific instance process

World Wildlife Fund (WWF) and SOCO International PLC: In 2014 the UK NCP concluded mediation between the World Wildlife Fund (WWF) and SOCO International PLC regarding oil exploration being conducted by SOCO in Virunga National Park in the Democratic Republic of Congo (DRC), a World Heritage site. The mediation led to an agreement and joint statement issued by the parties in which SOCO committed to cease exploration in the park unless UNESCO and the DRC government agree that such activities are not incompatible with its World Heritage status and “not to conduct any operations in any other World Heritage site”.

Withdrawal of government support

In six of the concluded cases of this reporting period that did not result in agreement, a lack of willingness by one party to participate in engagement was cited as the reason behind the lack of agreement. In addition to the use of final statements as a tool to motivate dialogue and engagement this year saw the first specific instance concluded which resulted in the withdrawal of government-based economic and trade-related advocacy support for a company for its failure to participate in the specific instance procedure (4) Such policies can be a helpful tool for encouraging companies to engage with the NCP process.

Box 4. Withdrawing government support in cases of lack of co-operation with the NCP

The Canada Tibet Committee and China Gold: China Gold, a mining company, refused to engage with the NCP or in dialogue when a complaint was brought against them to the Canadian NCP alleging adverse impacts to local communities as a result of its mining activities. The Canadian NCP, a government body, announced that China Gold’s refusal to engage in the process would be taken into consideration in any applications by the company for enhanced advocacy support from the Trade Commissioner Service and/or Export Development Canada (EDC) financial services, should they be made.

This conclusion is in line with Canada’s new enhanced CSR strategy which makes explicit reference to the NCP system and the OECD MNE Guidelines, and includes consequences by way of withdrawal of government support in foreign markets for companies that refuse to participate in the CSR Counsellor’s Office or NCP dispute resolution processes. This case represents the first example of a company’s engagement with an NCP process being directly linked to access to government economic and trade-related advocacy support. This case was also referenced as an example of best practice in strengthening the Guidelines by TUAC.

Recommendations in final statements

In 11 of the cases concluded during this reporting period where no agreement was reached the NCP included recommendations in their final statement. In an additional six of these types of cases the NCP included determinations of whether the company had observed the recommendations of the Guidelines.

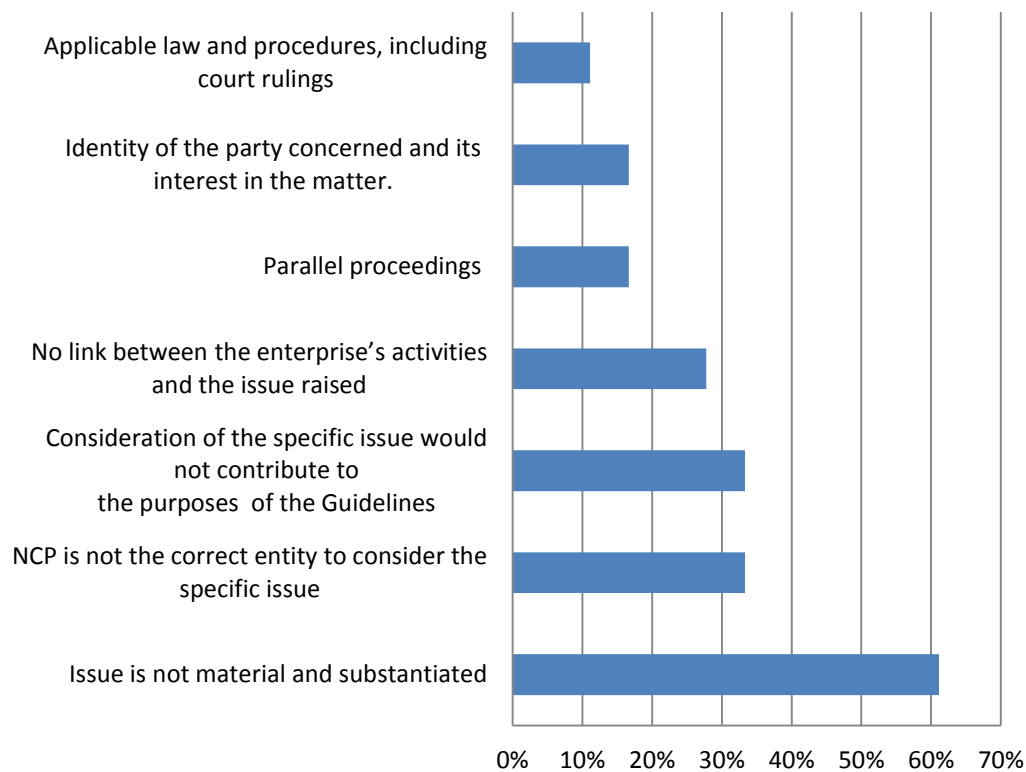
Statements can be an important tool regardless of whether cases are accepted for further examination. For example, the Korean NCP closed a specific instance during this reporting period which dealt with the purchase of cotton produced in Uzbekistan through two subsidiaries of Daewoo. While the case was not accepted for further examination, in their initial assessment the Korean NCP recommended that the respondents continue to monitor the situation regarding forced labour and respond actively in every possible way concerning the issues by means of dialogue and co-operation with the government of Uzbekistan and other stakeholders. Daewoo is currently engaging with the government of Uzbekistan on these issues.

Specific instances not accepted for further examination

Specific instances not accepted for further examination at the initial assessment stage during this reporting period cited a variety of reasons for refusal to accept the specific instance (Figure 1). Most commonly, in the majority (61%) of non-accepted specific instances, a lack of materiality and substantiation was referenced. This aligns with global trends in non-accepted specific instances. Since 2011, in 52% percent of all cases (35 cases in total) which were not accepted at the initial assessment stage, the NCP cited lack of materiality or substantiation.⁴ In interviews with NCPs, several stated that a finding of lack of materiality or substantiation was often not based on the fact that not enough information was provided to them but that it was the wrong kind of information. For example NCPs noted that complainants often pointed to contextual problems which do not align with the recommendations of the Guidelines (e.g. an operational climate in which workers rights are not respected, or where corruption is common) but not to specific company conduct demonstrating non-observance of the Guidelines.

NCPs highlight the importance of complainants establishing a clear link with the Guidelines, explaining why there was non-observance, as well as understanding who the relevant parties are and their relationship to the issues, specifically where there are multiple parties or complex corporate structures involved. One potential way of addressing this issue would be to provide clearer guidance to complainants on what sort of substantiation is necessary. Some NCPs have already done this and make complaint forms available on their websites (for example Chile, Denmark, Finland, Italy, Netherlands, Norway and Poland).

⁴ The 2011 update of the Guidelines included more robust reporting requirements from NCPs with regard to specific instances allowing collection of more detailed information regarding process and outcome of specific instances. As a result some of the findings in this report are based on specific instances starting from 2011. These are indicated throughout.

Figure 1. **Reasons for not accepting submissions during the 2014-2015 reporting period**

Source: OECD specific instance database ⁵ and publicly available information.

Parallel proceedings

The Procedural Guidance states that “NCPs should not decide that issues do not merit further consideration solely because parallel proceedings have been conducted, are under way, or are available to the parties concerned”. While under certain circumstances it may be inappropriate or unhelpful to accept or continue a specific instance, NCPs are to encourage dialogue whenever there may be a positive contribution to the resolution of the issues raised. It is the responsibility of the NCPs to determine if dialogue or mediation could positively contribute to a resolution of the issues between the parties. This requires evaluation of the circumstances particular to the specific instance in consultation with the parties involved.

Three of the non-accepted specific instances during this period cited parallel proceedings as the reason for non-acceptance. However 10 specific instances that had ongoing parallel proceedings (either in domestic legal venues or through other dispute proceedings) were accepted for further examination.

In interviews with trade unions and NGOs that have used the NCP mechanism the addition of text in the 2011 update of the Guidelines disallowing non-acceptance of specific instances solely on the basis of parallel proceedings was reported to be one of the

⁵. OECD Database of Specific Instances, <http://mneguidelines.oecd.org/database/> (8 July 2016).

most significant improvements with regards to the NCP mechanism as prior to the update specific instances were routinely dismissed due to parallel proceedings.

Overview and trends of new specific instances in the reporting period

A total of 52 specific instances were submitted to the NCPs from June 2014 to December 2015 in comparison to 34 reported in the last reporting cycle (Table 2). The larger number of new specific instances compared to the last reporting period can be explained in part by the fact that this cycle's reporting period covers 18 months, instead of 12.

Moreover, eight of the reported specific instances concern the same matter but were brought separately against different companies involved. A new reporting mechanism for reporting specific instances was introduced during this period to encourage reporting on specific instances as they are submitted versus annually as was previously done. As not all NCPs are yet accustomed to the new reporting system some NCPs may have as of yet not reported on all of their notifications and updates regarding specific instances. The Secretariat is following up bilaterally with NCPs to ensure complete reporting for the purposes of the OECD specific instance database.

Of the 52 new specific instances, several trends emerged:

- Most specific instances occurred in the financial services sector and the manufacturing sector, with some variation across eleven other sectors.
- By far the most frequently cited chapter of the Guidelines was Chapter IV on Human Rights.
- The locations of specific instances are widespread and diverse, both across adhering and non-adhering countries, similar to last year's reporting period.
- NGOs were the most common entity to submit requests to consider allegations in keeping with historical trends.

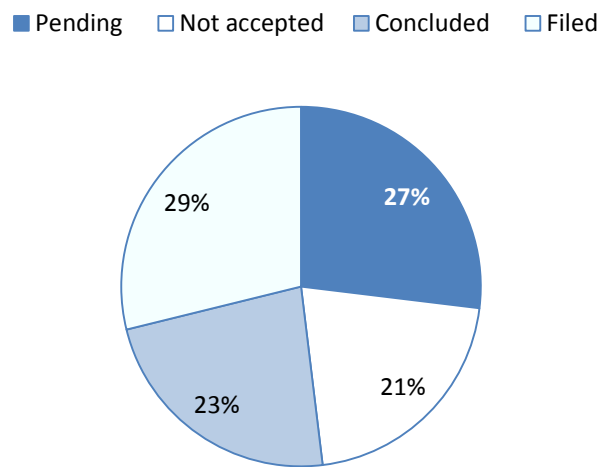
Table 2. **Number of specific instances received during the reporting period**

| NCP | Number of specific instances | NCP | Number of specific instances |
|----------------|------------------------------|---------|------------------------------|
| New Zealand | 9 | Brazil | 2 |
| Germany | 5 | France | 2 |
| Australia | 5 | Japan | 2 |
| Netherlands | 4 | Turkey | 2 |
| United Kingdom | 4 | Denmark | 1 |
| United States | 3 | Italy | 1 |
| Switzerland | 3 | Korea | 1 |
| Norway | 3 | Sweden | 1 |
| Chile | 3 | Canada | 1 |

The majority of new specific instances were submitted to the NCPs of New Zealand (9) followed by Australia and Germany, which received 5 and the Netherlands and the UK, which both received four. New Zealand received nine different submissions against different companies regarding the same event (as noted above).

At the end of 2015, the 52 specific instances submitted during this reporting period were reported at all stages of the specific instance process: 14 had only recently been filed, 11 were not accepted for further examination, 12 were concluded and another 15 are pending. Of the specific instances reported as concluded, four were withdrawn and another three were not accepted for mediation at the initial assessment stage (Figure 2).

Figure 2. **Status of specific instances submitted during the reporting period 2014-2015**



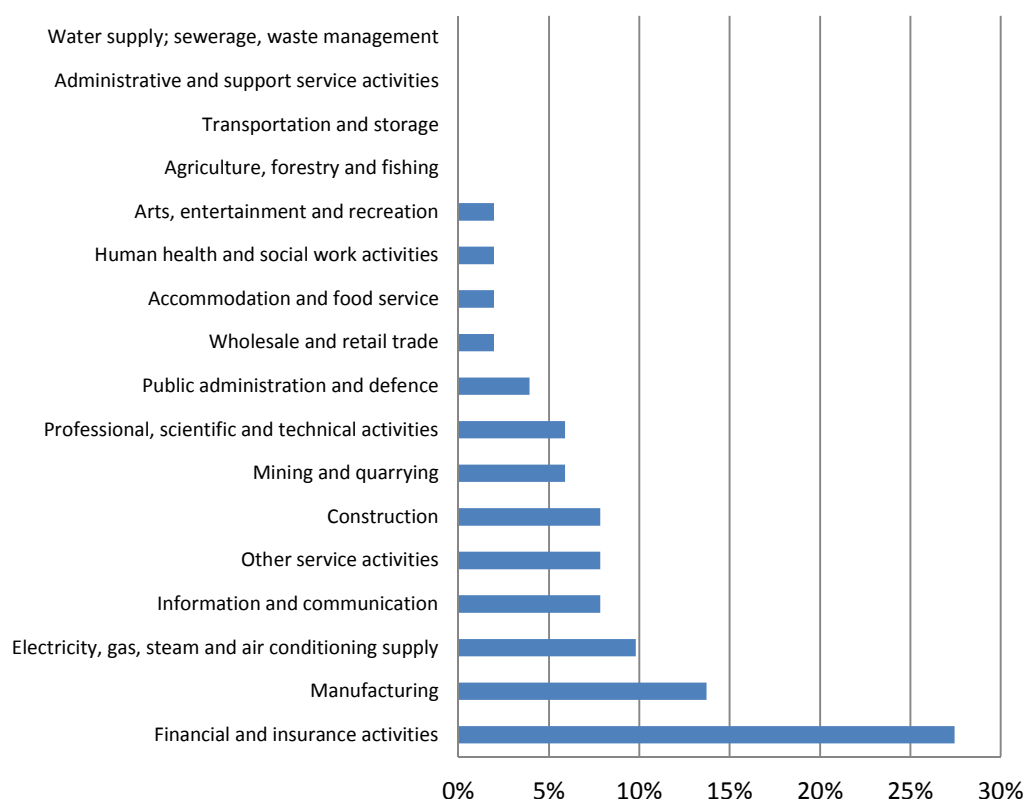
Source: OECD specific instance database and publicly available information

Nine specific instances are being handled with the help of supporting NCPs. This is comparable to the last reporting cycle in which nine specific instances were handled with supporting NCPs.

Specific instances by industry sectors

The specific instances concern 13 industry sectors (Figure 3). The highest number of submissions (14 submissions, or close to 30%) referred to the financial services sector. However six of the submissions concerned the same issue, which led to submissions against several insurance companies. Specific instances linked to this issue account for nearly half of all financial sector cases reported. However, even taking this into account, financial and insurance activities still featured the most in specific instances during this period. The next most common sectors were manufacturing, electricity supply and information and communication.

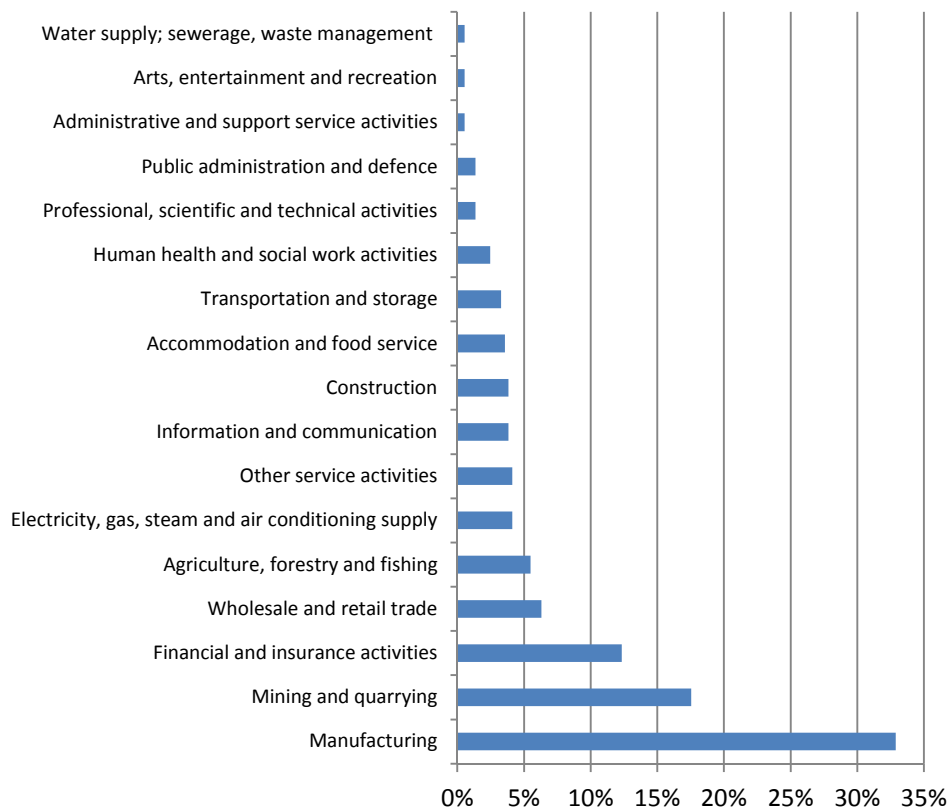
Figure 3. Specific instances by industry sector in the 2014-2015 reporting period



Source: OECD specific instance database and publicly available information

This breakdown suggests an interesting trend. Whereas historically, specific instances were brought in relation to sectors with dangerous working conditions or high potential for direct social and environmental impacts, far more submission in this reporting period relate to service operations by sectors such as financial and insurance services as well as technology services. Issues arising from financial sector providers have seen significant increases in terms of submissions of complaints since the update of the Guidelines in 2011, from about 8% of specific instances from 2000-2010 to 16% of cases from 2011 to 2015 (Figure 4).

Figure 4. Specific instances by industry sector from 2000-2015



Source: OECD specific instance database and publicly available information.

Box 5. Specific instances regarding responsible business conduct in large sporting events

Formula One and ADHRB: Americans for Democracy and Human Rights in Bahrain (ADHRB), a civil society organisation based in the United States, filed a complaint against the companies involved in the organisation of the Formula One Grand Prix in Bahrain. The complaint alleged that holding the event in Bahrain is at odds with Bahrain's human rights record and that the event has contributed to human rights abuses associated with use of force of security against protestors against the event. Both parties engaged in mediation resulting in an agreement in April 2015. As a result Formula One publicly committed to respecting internationally recognised human rights in all of its operations. Included in this commitment is a promise to develop and implement a due diligence policy in which Formula One analyses and takes steps to mitigate any human rights impact that its activities may have on a host country, including on the human rights situation in Bahrain.

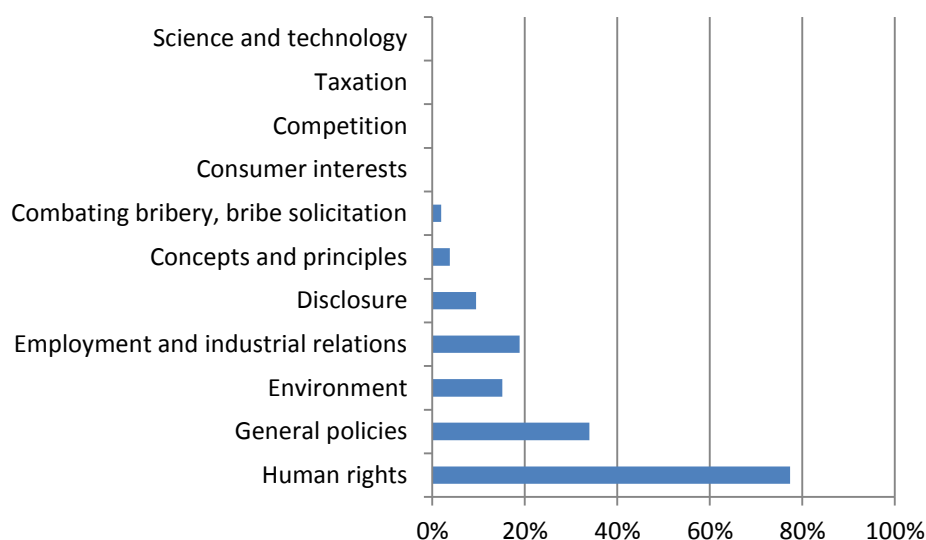
FIFA and BWI: In May 2015, Building and Wood Workers' International (BWI) submitted a case to the Swiss NCP against the Fédération Internationale de Football Association (FIFA) for failing to meet its responsibility to respect the human rights of migrant construction workers who are building the stadiums and infrastructure for the FIFA 2022 World Cup. BWI requested that the Swiss NCP offer its good offices for mediation between FIFA and BWI to identify steps to be taken by FIFA to meet its responsibility to respect human rights to address FIFA's responsibility to use its leverage with the Government of Qatar to accelerate labour law and other human rights-related reforms. The Swiss NCP has [accepted the specific instance](#).

Several high profile cases regarding large sporting events have been reported in the press. The FIFA World Cup games taking place in 2014 highlighted the serious environmental and social risks that such events can bring. In addition to two specific instances (see Box 5), a session on this topic was held at the 2015 OECD Global Forum on Responsible Business Conduct (see Chapter 4).

Chapters of the Guidelines cited in specific instances

The NCP system treats a broad range of issues, and as such is a grievance mechanism for human rights, labour, environment, and all other areas covered by the Guidelines, as well as by other international instruments dealing with these issues. The chapter on human rights was the most frequently cited chapter in this reporting period, referenced in nearly 80% of specific instances, followed by the chapters on general policies, employment and industrial relations and environment (Figure 5). Twenty specific instances during this period raised due diligence issues citing paragraphs A10 and A11 of the General Policies chapter, which specifically reference risk-based due diligence and the obligation to avoid causing or contributing to adverse impacts. Poor stakeholder engagement practices were raised as an issue in 9 specific instances during this time period, implicating alleged non-observance of paragraph A14 of the general policies, which directs companies to engage in meaningful stakeholder engagement. The chapters of the Guidelines not cited in any specific instance during this reporting period are: Consumer interests, Competition, Taxation and Science and Technology.

Figure 5. **Specific instances by Guidelines chapter in the 2014-2015 reporting period**

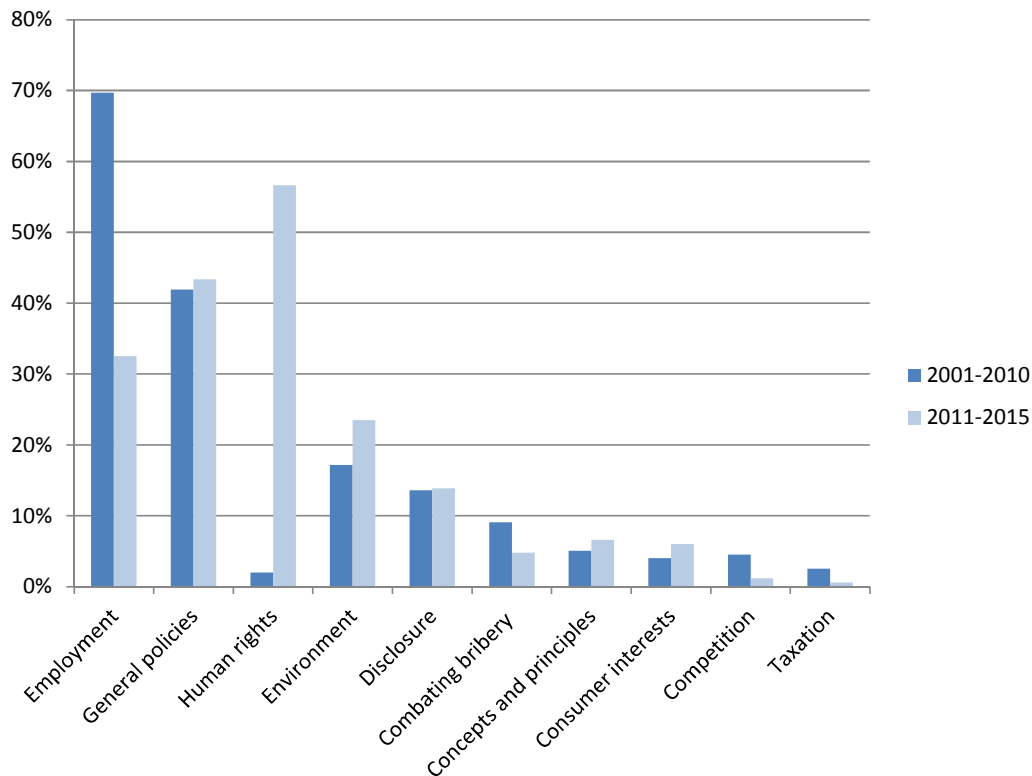


Source: OECD specific instance database and publicly available information.

The large number of specific instances referencing the human rights chapter is consistent with trends since the 2011 update of the Guidelines and the inclusion of the human rights chapter. A recent analysis of a sample of 158 human rights-related specific instances identified the following trends: “more human rights cases than other types of complaints; a greater diversity of human rights cases than in the past; a diversification of industries against which complaints are brought; the growing role of the Guidelines’ due

diligence provisions; and a higher admissibility rate for human rights cases than for others”.⁶ The changes in distribution of themes and the increase in specific instances treating human rights issues after the 2011 update of the Guidelines are illustrated in Figure 6.

Figure 6. **Specific instances by Guidelines chapter before and after 2011**



Source: OECD specific instance database and publicly available information.

Host countries

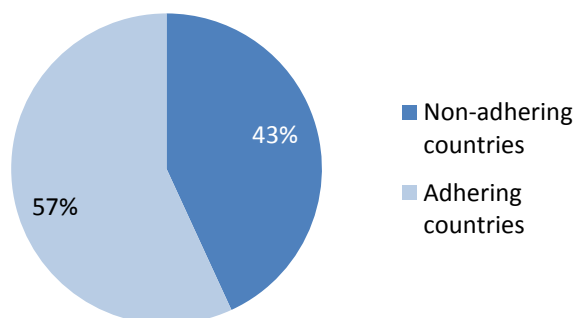
NCPs reported a higher number of specific instances in adhering countries (29) rather than in non-adhering countries (22) during the reporting period (Figure 7). This deviates from general trends in the past, where slightly more specific instances arose in non-adhering countries. This could be explained partially by the focus of specific instances closed during this reporting period on financial and technology service providers, rather than manufacturing or extractive sector industries.

Twenty-nine cases of alleged non-observance of the Guidelines related to operations in adhering countries, including Australia, Brazil, Canada, Chile, Denmark, Germany, Japan, Norway, Turkey, United States, United Kingdom, and New Zealand.

⁶ Ruggie, John G., and Tamaryn Nelson. (2015). “[Human Rights and the OECD Guidelines for Multinational Enterprises: Normative Innovations and Implementation Challenges](#).” Corporate Social Responsibility Initiative Working Paper No. 66. Cambridge, MA: John F. Kennedy School of Government, Harvard University.

Twenty-two cases of alleged non-observance of the Guidelines arose in non-adhering countries: Bahrain, Cambodia, Cameroon, Cuba, Ethiopia, India, Indonesia, Malaysia, the Maldives, Mali, Papua New Guinea, Peru, Qatar, Senegal, Uzbekistan, and Yemen.

Figure 7. **Location of specific instances notified in 2014-2015 reporting period**

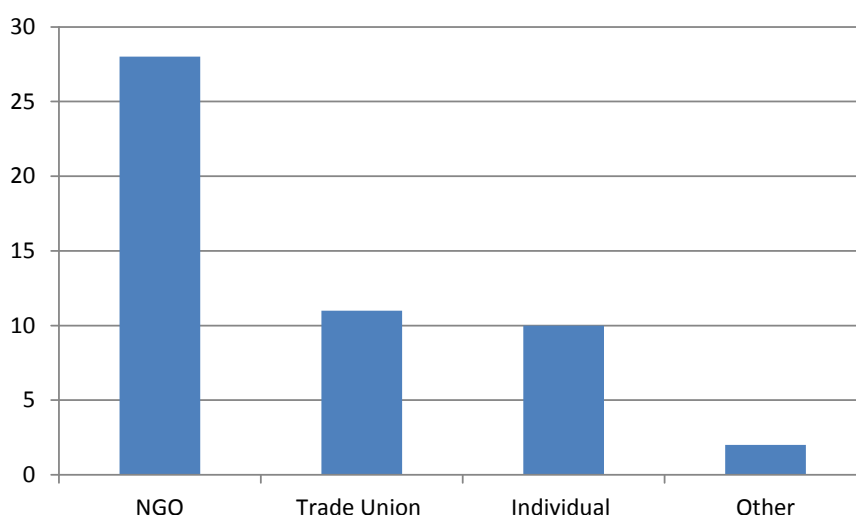


Source: OECD specific instance database and publicly available information

Notifiers of submissions

As in previous years, NGOs have continued to be the primary users of the NCP system. In the past reporting period their share of submissions increased to 55% as opposed to the previous reporting periods where historically NGOs have accounted for approximately 50% of all submissions. In this period no cases were filed by multi-stakeholder consortiums or local communities. One of the specific instances received from “other” refers to a specific instance that was notified by a municipality regarding the activities of a foreign mining company operating in Chile (Figure 8).

Figure 8. **Sources of specific instances notified in the 2014-2015 reporting period**



Source: OECD specific instance database and publicly available information.

Duration of procedures

There are seven NCPs with specific instances lasting over two years since the date of the original submission and a total of 9 NCPs having closed at least one specific instance after 2011 without issuing a final statement (See Table in Annex III). This is not in line with the Procedural Guidance, which since the 2011 update requires that NCPs make the results of a specific instance publicly available.

Overview of NCP structures

As set out in the Commentary to the Procedural Guidance, NCPs should function in a visible, accessible, transparent, and accountable manner. These are known as the core criteria for functional equivalence between NCPs. The criteria apply to the structure of the NCP as well as their activities. At present, there are significant differences across the NCP system with regards meeting the core criteria for functional equivalence. These differences are evidenced in Annex III, which provides aggregate information on each of the NCPs that had submitted its report covering the period June 2014–December 2015.

Of the 46 adhering governments, a total of 44 have an NCP in place, the exceptions being Egypt and Jordan, which by end 2015, did not appear to have an NCP contact, a website or any kind of NCP-related activity.

In terms of visibility of NCPs, a total of seven NCPs do not have a website in place on the Guidelines or the NCP. These are: Costa Rica, Egypt, Greece, Jordan, Luxembourg, Slovak Republic and Tunisia. Although there is no specific requirement on NCPs to create a website, it is an ideal entry point for individuals or organisations wishing to bring forward a specific instance to the NCP and an essential sign of NCP visibility. A total of 29 of those NCPs with websites have included procedures explaining the specific instance process, although on occasion these are only available in the local language.

In terms of structure, NCPs can be categorised as follows:⁷

- **Monoagency:** The NCP is composed of one or more representatives of a single Ministry. (Examples include Argentina, Costa Rica, Greece, Iceland, Ireland, Jordan, Lithuania, Mexico, New Zealand, Poland, Slovak Republic and Turkey).
- **Monoagency ‘plus’:** The NCP secretariat is located in one Ministry but other Ministries or stakeholders are involved in the work of the NCP on an advisory basis. (Examples include Australia, Austria, Chile, Colombia, Estonia, Hungary, Israel, Italy, Peru, Romania, Spain and the United States).
- **Interagency:** The NCP is composed of representatives of two or more Ministries. (Examples include Brazil, Canada, Germany, Japan, Morocco, Portugal, Slovenia, Switzerland and the United Kingdom).
- **Tripartite:** The NCP is composed of representatives of one or more Ministries, business associations, and trade unions. (Examples include Belgium, France, Latvia and Sweden).

⁷ This categorisation is based on information provided by NCPs in their 2015 annual reports to the OECD.

- **Quadripartite:** The NCP is composed of representatives of one or more Ministries, business associations, trade unions, and NGOs. (Examples include Czech Republic and Finland).
- **Independent Agency:** The NCP is generally composed of independent experts connected to a Ministry and usually benefiting from Secretariat staff within the Ministry. (Examples include Denmark, the Netherlands and Norway).

In reality, however, the structures of NCPs vary considerably from country to country. Individual peer reviews and capacity building exercises will assist in clarifying the different ways in which NCPs are structured.

The attendance of NCPs at the June 2014 and 2015 annual meeting of NCPs was mapped along with the obligation to report annually to the OECD Investment Committee for the 2014 and 2015 annual reports. A total of four NCPs did not attend the annual meetings of NCPs in both 2014 and 2015 (Egypt, Jordan, Luxembourg and New Zealand). In 2014, a total of six NCPs did not report to the OECD Investment Committee (Greece, Ireland, Jordan, Luxembourg, New Zealand and Romania). In 2015, four NCPs did not report (Egypt, Iceland, Jordan and Tunisia).

Promotion of the Guidelines

One of the key functions of NCPs is to promote the Guidelines. Performance on this function has been uneven. During the period June 2014 to December 2015 a total of 112 promotional events were organised by 24 NCPs. Three NCPs organised training and awareness-raising events in different cities across their countries (Italy, Poland and the United States). A total of 22 NCPs did not hold any promotional events during this time. Additionally, a total of 29 NCPs participated in a total of 226 events promoting the Guidelines organised by others; 15 NCPs have neither held nor participated in any promotional events.

The numbers of events hosted by NCPs as well as the number of events in which NCPs participated are presented in the overview table in Annex III. Annex IV sets out the dates and details of all promotional events organised by NCPs. In addition, the Chair of the Working Party on Responsible Business Conduct and members of the OECD Secretariat participated in many events to promote the Guidelines and to highlight the work of NCPs.

NCP involvement in sector projects

As set out in the Commentary on the Procedural Guidance, NCPs should “maintain regular contact, including meetings, with social partners and other stakeholders in order to:

- a) consider new developments and emerging practices concerning responsible business conduct;
- b) support the positive contributions enterprises can make to economic, social and environmental progress;
- c) participate where appropriate in collaborative initiatives to identify and respond to risks of adverse impacts associated with particular products, regions, sectors or industries”.

During the reporting period, fifteen NCPs or other representatives within their governments participated in the sector projects under the proactive agenda as set out in the table in Annex V.

Peer reviews and peer learning

Peer Reviews

In 2015, the peer review of the Danish NCP was completed and presented to the June meeting of the NCPs (see highlights in 6 and a summary of findings and recommendations in Annex VI). In addition, the peer review of Belgium was initiated in the second half of 2015 and the on-site visit took place in November 2015. This was the first peer review entirely coordinated by the OECD Secretariat; previous peer reviews were coordinated by external experts hired by the NCP under review. The team of peer reviewers were representatives from the NCPs of Morocco, the Netherlands and Switzerland, as well as the Secretariat.

Box 6. Highlights from the peer review of the Danish NCP

In 2015, representatives from the Norwegian NCP, the German NCP and the UK NCP conducted a peer review of the Danish NCP. The OECD Secretariat participated in the preparation of the peer review report and in the on-site visit. A US NCP representative joined the review as an observer.

The peer review reviewed the NCP's institutional arrangements, the activities of NCPs for promoting the guidelines, the handling of specific instances, co-operation with other NCPs as well as efforts in contributing to the proactive agenda.

The peer review revealed a high level of credibility of the Danish NCP, a strong involvement in promoting the Guidelines and a solid procedural foundation for handling specific instances. The peer review also highlighted areas for improvement.

Institutional structure: Set up in November 2012 under Danish law, the Mediation and Complaints Handling Institution for Responsible Business Conduct (MKI) serves as the Danish NCP. The MKI therefore serves a domestic mandate which differs to some extent from the Guidelines. For instance, the MKI “can only accept complaints related to business conduct or activities occurring in the past five years” whereas the Guidelines do not set a timeframe for the reporting of specific instances. The peer review team therefore recommends that the mandate of the Danish NCP be clarified.

Promotion: The review team recognised the active efforts of the Danish NCP in promoting the Guidelines and in improving its promotion strategy. To go further, it encouraged the Danish NCP to refocus its promotional activities towards communicating on the practical implementation of the Guidelines. This would serve at better guiding stakeholders involved in specific instances.

Box 6. Highlights from the peer review of the Danish NCP (cont.)

Specific Instances: The Danish NCP was encouraged to clarify its regulations around confidentiality. This would help align expectations of all stakeholders involved in the NCP's procedures. It was also invited to assess the specific needs of SMEs as respondents. Considering the large number of SMEs in the Danish market, the NCP could choose to adapt its procedure to be more in line with the specific needs of smaller structures.

Proactive agenda: The review team favoured larger contributions of the Danish NCP to the Proactive Agenda by seeking opportunities to engage Danish Businesses.

Follow-up: The Danish NCP was invited to follow-up within one year on the implementation of the recommendations made by the peer review team.

As of January 2016, nine NCPs have committed to a timing slot over the 2016-18 period for their peer review and three NCPs (Brazil, France and the United States) have committed to a peer review in the period 2016-18 but have not yet confirmed the timing. A total of 22 NCPs have expressed interest in being part of a peer review team.

The peer reviews for the period 2016-2018 are scheduled as follows:

| 2016 | | 2017 | | 2018 | |
|------------|-------------|------------|------------|------------|----------------|
| Jan – June | July – Dec | Jan – June | July – Dec | Jan – June | July – Dec |
| | Italy | Chile | Argentina | Austria | Australia |
| | Switzerland | Germany | Canada | | United Kingdom |

NCPs that have expressed interest in being part of a peer review team:

Argentina, Austria, Belgium, Brazil, Canada, Chile, Costa Rica, Denmark, France, Germany, Hungary, Israel, Italy, Japan, Mexico, Morocco, Netherlands, Norway, Spain, Switzerland, United Kingdom and United States.

NCP-hosted peer learning events

During the reporting period a total of four NCP-hosted peer learning events took place, in Chile, Morocco, Austria and Hungary. Each event was developed by the host NCP with the support of the OECD Secretariat. They provided an opportunity for sharing practice between NCPs and often included an outreach component with local representatives of institutional stakeholders and other international organisations, civil society, etc.⁸

⁸ In addition to the NCP-hosted learning events, the Secretariat also organised a range of learning sessions as part of the regular NCP meetings in June and December 2015.

13-14 November 2014 – Santiago (Chile), Workshop with Latin American NCPs (13-14 November 2014)

Hosted by the Chilean NCP, the workshop was led by the Consensus Building Institute. Participants to the workshop included NCPs from Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

The workshop provided an opportunity to gain theoretical knowledge on problem-solving processes, as well as practice different steps of handling specific instances. NCPs participated in a scenario-based exercise on communicating the value of the NCP process to reduce confusion around the NCP role as well as a session to compare their experience in preparing initial assessments which revealed a diversity of procedures. This was followed by a discussion on the coordination of NCPs in cases where specific instances involved multiple countries. Participants suggested different ways of facilitating the process. NCPs then exchanged ideas for promotional activities.

The participants of the workshop agreed to exchange further during meetings in Paris and through periodic contact, shared documents, regional events and bi-weekly email updates. Participants also agreed to work together on the proactive agenda. They suggested that the OECD Secretariat could assist in promoting the role of NCPs among ministers and high-level government officials, providing further guidance on questions of confidentiality and transparency in NCP processes, establishing clear guidelines for coordination between NCPs, and discussing the implications of different institutional arrangements of NCPs.

19-20 November, 2014 Rabat (Morocco), Workshop on Capacity-building for National Contact Points in the Middle East and North Africa Region (19-20 November 2014)

At the initiative of MENA NCPs, the Moroccan NCP hosted a peer learning and capacity-building workshop. Participants at the workshop included NCP representatives from France, Switzerland, Sweden and Canada as well as representatives from the OECD Secretariat. Shift, an independent non-profit centre for business and human rights practice facilitated the workshop.

This workshop aimed at assisting MENA NCPs in understanding and defining their role and responsibilities. Participants engaged in discussions on the value of the Guidelines to businesses and governments and on the 2011 review of the Guidelines, which focused on due diligence business relationships and human rights. All NCPs then exchanged with each other on questions of structure, roles and functions. Participants took part in practical group exercises and a plenary discussion on the promotion of the Guidelines. The final session involved NCPs with experience in handling specific instances providing insight into the procedures to MENA NCPs.

Key suggestions for the future included consolidating the sharing of information through online platforms such as a mailing list, supporting each other in developing promotional activities, establishing a mentoring programme and receiving further informational support from the OECD.

Participants were interested in future regional peer learning sessions, in developing common strategies and solutions, as well as in a common vision of the role of NCPs.

3-4 March, 2015 Vienna (Austria), Workshop on Creating Shared Knowledge on Mediation and Crucial Processes for OECD NCPs (3-4 March, 2015)

Representatives from 18 NCPs attended the workshop hosted by the Austrian NCP, organised by ICEP and facilitated by the Consensus Building Institute.⁹ The aim of the workshop was to focus on mediation and possibilities for improvements of NCP processes.

Through small group discussions and plenary sessions, the key themes covered were mediation, confidentiality, representation, assessment and fact finding, leverage, budget and staffing, and peer learning. Discussions included the following topics:

- **Confidentiality:** Handling confidentiality was seen as challenging for NCPs. In order to better understand confidentiality, suggestions were made such as setting clear expectations in the procedure and creating a code of conduct for notifiers and companies.
- **Representation:** NCPs are struggling to reach decision-makers of parties involved in specific instances which can lead to delays in the procedure. Participants suggested presenting a Terms of Reference to motivate better company representation. Participants also raised the question of the mandate of the notifier to take action.
- **Assessment and fact finding:** Some NCPs expressed frustration over their lack of resources to conduct appropriate research into specific instances. Participants presented their investigation methods, which included directly enquiring to the company and hiring external investigators.
- **Leveraging:** Participants suggested that getting companies to engage in the NCP process can be difficult. To facilitate the access to company representatives, the Canadian NCP explained their CSR strategy. Other NCPs called for support from the OECD Secretariat on how to deal with reluctant parties.
- **Budget and staffing:** Participants aspired to getting high-level ministerial decisions at the OECD to help allocate significant funds for NCPs.
- **Peer Learning:** Participants showed enthusiasm to identify the next peer learning opportunities. They presented a number of ideas, including restructuring the June meeting to allow for more interaction, yearly NCP meetings, an information platform, formal mentoring programmes and support for officials that are new to the role of NCP. Participants also suggested that the Secretariat include topic-based discussions tied to NCP meetings and meetings of the Working Party on RBC and provide additional guidance material for NCP processes.

8-9 October, 2015 – Budapest (Hungary), Peer learning workshop for NCPs (8-9 October, 2015)

On 8-9 October the Hungarian NCP hosted a conference on the Guidelines. The first half day of the meeting was aimed at external stakeholders and covered the Guidelines

⁹. Representatives from the NCPs of Austria, Belgium, Canada, Chile, Colombia, Czech Republic, Germany, Hungary, Israel, Latvia, Morocco, Norway, Spain, Switzerland Turkey, UK, USA as well as the Secretariat and the chair of the WPRBC attended this meeting.

and the role of NCPs, the ILO Declaration and the UN Guiding Principles on Business and Human Rights. The following 1.5 days were dedicated to peer learning between NCPs and covered a wide range of topics including: promotion of the Guidelines, structure, location and resources of NCPs, key challenges for officials new to the NCP role, establishing rules of procedure for handling specific instances, challenges in handling specific instances and co-operation between NCPs including transfer of specific instances. NCPs from a total of 23 countries including Hungary participated in this meeting along with representatives from the European Union and members of the OECD Secretariat.¹⁰

Resource developments in NCPs

During 2015, the US NCP increased staff from one to three full-time positions. It also accessed additional funding dedicated to mediation. In addition, the US NCP delivered a Guide setting out the operations of the US NCP and clarifying the specific instance procedures.¹¹ The Spanish NCP restructured its NCP during 2015 and created a full time position dedicated to the NCP. The NCP also created new resources for its website and developed internal rules of procedure. The Swiss NCP brought an experienced mediator into the NCP Secretariat to provide expert skills in handling specific instances.

Measuring awareness of the Guidelines

NCPs in Austria, Canada, Denmark, Finland, the Netherlands and the United Kingdom conducted surveys to assess the domestic visibility of the Guidelines amongst companies. The Austrian NCP found that “there is still a need for information and know-how, especially amongst exporting SMEs about the OECD-Guidelines-framework”.¹² Both the Canadian survey of key stakeholders and the Danish NCP survey to companies showed limited awareness of the Guidelines and a need for continued outreach.

Co-operation with RBC organisations

The Swiss NCP has joined a new public-private partnership with the UN Global Compact Network Switzerland launched in 2015.¹³ This partnership, which brings together business and government representatives, aims at strengthening the Swiss UN Global Compact Network. In May 2015, the Portuguese NCP took part in the jury panel of the Recognition of Social Responsibility Practices Award, promoted by APEE, the Portuguese Association for Business Ethics.

High-level support for the Guidelines and the National Contact Points

The year 2015 saw significant high-level support to the Guidelines and the NCPs.

¹⁰ Representatives of NCPs from the following countries were present: Romania, Chile, UK, Czech Republic, Israel, Canada, Japan, Spain, France, Austria, Norway, Estonia, Morocco, Poland, Slovenia, Hungary, Germany, Switzerland, Portugal, and the Netherlands.

¹¹ USNCP (2015), [A Guide to the U.S. National Contact Point for the OECD Guidelines for Multinational Enterprises](#).

¹² NCP of Austria (2015) Annual report 2015 (on file with the OECD Secretariat).

¹³ See [UN Global Compact: Network Switzerland homepage](#) (Accessed 8 July, 2016).

On 4 June 2015, on the occasion of the OECD Ministerial Council Meeting, Ministers called on the OECD “to continue its efforts to further strengthen the performance of MNE National Contact Points, including through voluntary peer reviews and the exchange of best practices”.¹⁴

A few days later, on the occasion of the G7 Summit in Elmau, G7 Leaders committed: “to strengthening mechanisms for providing access to remedies including the National Contact Points (NCPs) for the Guidelines. In order to do so, the G7 will encourage the OECD to promote peer reviews and peer learning on the functioning and performance of NCPs. We will ensure that our own NCPs are effective and lead by example”.¹⁵

Later in the year in October the G7 Labour and Development Ministers discussed their commitments to strengthening NCPs and to lead by example. The following commitments were made at that meeting:

- In acknowledgement of the benefits of the streamlined and efficient OECD peer review procedures, NCPs in G7 countries will pro-actively support the existing OECD peer review process, through participation in peer review teams, and all G7 NCPs will endeavour to have completed peer review processes by 2018.
- With the aim to strengthen NCPs’ functional equivalence and, in particular, the NCP non-judicial grievance mechanism as well as its promotion, our NCPs will participate in peer learning activities, including best practice sharing and knowledge exchanges organised by the OECD or other entities.
- We support an OECD outreach to governments not yet adhering to the Guidelines and will actively contribute through our expertise to these processes.
- Likewise, we support an OECD outreach to non-governmental stakeholders such as social partners so that they may better contribute to the OECD’s responsible business conduct agenda, and we will provide our expertise to these processes.

Stocktaking report on 15 years of NCP experience

The Secretariat carried out a stocktaking exercise into the work of NCPs over the past 15 years since they began receiving specific instances in 2000. The report (to be published in 2016) was prepared with the inputs of NCPs and institutional stakeholders, and draws on publicly available information. The report takes stock of the experience gained by NCPs since the update of the Guidelines in 2000, with a specific focus since the 2011 update of the Guidelines. It looks at the role of NCPs both as a platform for promoting the Guidelines and as a non-judicial grievance mechanism for receiving “specific instances” concerning the non-observance of the Guidelines by multinational enterprises. The report also describes the role of NCPs in promoting sectorial guidance documents, in developing policy coherence and in the creation of National Action Plans on Responsible Business Conduct (RBC) and National Action Plans on Business and Human Rights.

¹⁴. OECD Council of Ministers (2015) [Unlocking Investment for Sustainable Growth and Jobs - 2015 Ministerial Council Statement](#).

¹⁵. G7 (2015), [Leaders’ Declaration, G7 Summit](#), 7-8 June 2015.

The preliminary findings from this report are the following:

- ***NCPs are a unique mechanism to implement RBC:*** NCPs have been part of the Guidelines since 1984. However, it was the 2000 update that provided detailed procedural guidance on the role and functions of NCPs and gave them a stronger role to deal with all matters relating to the Guidelines, including resolving issues related to the non-observance of the Guidelines by companies. Through this aspect of their mandate, NCPs are the only governmental, non-judicial grievance mechanism, providing access to remedy to stakeholders wishing to raise issues related to operations of companies operating in or from adhering countries.
- ***NCPs have received over 360 specific instances, related to operations in over 100 countries and territories:*** Since 2000, NCPs have addressed numerous issues addressed by the Guidelines, and indirectly, also other international instruments to which the Guidelines refer or embedded in the latter, including the UN guiding principles on business and human rights, core conventions of the International Labour Organization, and key international environmental agreements. Between 2000 and 2015, more than 360 specific instances have been filed with NCPs, relating to impacts occurring in over 100 countries and territories. Specific instances have covered all chapters of the Guidelines with the majority focusing on the employment and industrial relations, general policies, human rights (since 2011) and environment chapters. Since 2011 about half of all specific instances brought to the NCP mechanism deal with issues in non-adhering host-countries. Between 2011 and 2015, NGOs have reported the highest number of specific instances followed by trade unions and individuals.
- ***There have been significant improvements in the handling of specific instances:*** Between 2011 and 2015, about half of all cases which were accepted for further examination resulted in an agreement between the parties. Agreements reached through NCP processes were often paired with other types of outcomes such as follow-up plans or changes in company policy or management and have in many cases resulted in building more constructive relationships.
- ***NCPs structures have evolved to meet increasing needs:*** Following the 2011 update to the Guidelines, some NCPs have significantly reassessed their structures and drawn on the expertise required to fulfil their dual mandate of promoting the Guidelines and handling specific instances. The number of specific instances has been increasing as has the array of subjects covered by specific instances, and the complexity of the submissions. As such, NCPs have been required to ensure their knowledge and awareness of a broad range of subjects. Several NCPs have strengthened their systems to respond to such developments.
- ***Some NCPs are involved in the development of broader responsible business conduct policy:*** Certain NCPs are more involved in the development of broader responsible business conduct policy, including the development of National Action Plans (NAPs) on Responsible Business Conduct and National Action Plans on Business and Human Rights.
- ***NCPs are making efforts to promote the Guidelines but results remain uneven:*** A key function of the NCPs is to promote the Guidelines and most NCPs have focused their efforts on this part of their mandate. Viewed as a whole, the NCPs

have taken important steps in promoting the Guidelines as a useful tool for businesses, governments, unions, NGOs and other interested parties. However although the Guidelines are now quite well known by businesses, unions and civil society in some countries, they are less well known in others. In addition, the Guidelines are often not known beyond CSR practitioners or business and human rights experts, who are directly involved in the policy debates about them. Also, while major listed MNEs may be familiar with the Guidelines, this is not the case for many SMEs.

- ***Lack of financial resources remains a key challenge for a number of NCPs:*** Few NCPs have staff solely devoted to the responsibilities of the NCP and some do not have any dedicated staff. In most NCPs, members of staff are also responsible for other portfolios. Most NCPs are composed of a mix of full-time and part-time staff, with additional support being requested as needed. Several NCPs – particularly those with their Secretariats housed in a Ministry of Trade or Foreign Affairs – are staffed by officials sharing several functions. In two countries, while the NCP was formally set up at the time of adherence to the Investment Declaration, they seem to be currently inactive. In recent years, some governments have made significant efforts in providing NCPs with resources needed to handle specific instances more efficiently; for example, by providing a budget to hire external experts, including mediators; providing training in mediation and problem solving to NCP staff, etc.
- ***There is room for greater involvement of NCPs in the sector projects under the “proactive agenda”:*** Since 2011, significant work has been done to help companies implement the recommendations of the Guidelines, often initiated by NCPs themselves. Examples include the work on the application of the Guidelines to the garment and footwear sector, development of due diligence guidance for meaningful stakeholder involvement, as well as guidance for due diligence in agricultural supply chains. Some NCPs have actively participated in this work by chairing or participating in advisory groups or providing comments on documents. However there is room for greater involvement of NCPs in the projects, in particular in promoting the work to relevant enterprises to encourage implementation. In the future, NCPs will have an important additional role in promoting and disseminating the different guidance documents among their stakeholders. This may raise additional challenges for NCPs with resources and skills shortages.

Stakeholder perspectives

In June 2015, the three institutional stakeholders provided inputs to the meeting of the NCPs. A summary of findings and recommendations is set out below. In addition, stakeholders provided formal contributions to this Annual report, reproduced in Annex VII.

Business and Industry Advisory Committee (BIAC)

Based on the results of its third survey of Member Companies’ Experiences with NCPs, BIAC identifies some areas for improvement with regards the NCP system. The survey maps responses from 20 companies and reveals a need for NCPs to improve their visibility through awareness-raising activities. BIAC also notes some caveats concerning

specific instances procedures. While in some cases stakeholders have showed satisfaction, the handling of other cases have not proven as effective. Specifically, BIAC advises that the NCP procedures be communicated clearly and that the OECD continue to “clearly highlight the specific nature of the NCP procedure in its publications, outreach activities and at meetings organised with the participation of NCPs” as well as “to approach third parties who misinterpret the nature of the NCP procedures, to explain the problem resolving character”.¹⁶ The complete survey results are available on the public website of BIAC.

Trade Union Advisory Committee (TUAC)

TUAC recognises that “as the major international grievance mechanism available to workers and communities to defend their rights, NCPs have a unique responsibility to carry out their role effectively”.¹⁷ In its 15-Point Plan for NCPs, TUAC presents a number of recommendations to strengthen the effectiveness of the Guidelines.

TUAC encourages adhering governments and NCPs to better follow the core criteria in their activities. In addition, it puts forward the need for impartiality, predictability, equitability, policy coherence and compatibility with the Guidelines in the work of NCPs and adhering governments. TUAC calls on the OECD Working Party on Responsible Business Conduct to revise the Procedural Guidance, strengthen peer review programs and “take measures against adhering governments that fail to meet their binding obligations to establish an effective NCP, including undertaking fact-finding missions and reporting to the OECD Council”.¹⁸

OECD Watch

The NCPs are recognised by OECD Watch as having “acquired the potential to serve as a much-needed forum for accessing remedy for corporate abuses”.¹⁹ However, in the 2015 analysis of 15 years of NCPs, the organisation highlights several areas for improvement concerning the effectiveness of the mechanism.

In particular, OECD Watch calls for a revision of the Procedural Guidance to address many of the issues identified. These include “practical and procedural barriers that prevent potential complainants from filing a complaint; a perceived lack of independence and impartiality of some NCPs; policies that prioritise confidentiality over transparency; frequent nonconformity with procedural timelines; and outcomes that are incompatible with the Guidelines”.²⁰ OECD Watch encourages NCPs, adhering governments, the OECD Investment Committee and the Working Party on Responsible Business Conduct to take rapid action to improve the NCP system.

¹⁶ BIAC (2015) [Third BIAC Survey of Member Companies' Experiences with NCPs and Specific Instances Procedures](#) – page 7.

¹⁷ TUAC (2015), [15-Point Plan for National Contact Points](#).

¹⁸ Id.

¹⁹ C. Daniel, J. Wilde Ramsing, K.M.G Genovese, V. Sandjojo (2015), [Remedy Remains Rare](#), OECD Watch.

²⁰ Id.

Joint Statement

BIAC, TUAC and OECD Watch made a joint statement in October 2015 calling on the OECD “to provide the resources necessary to fund an effective peer review programme and on governments of all adhering countries to ensure that their NCPs are adequately equipped and staffed to fulfil their objectives, as set out in the OECD Guidelines”. This joint statement was made available to delegates at the October meeting of the Working Party on Responsible Business Conduct.

Action Plan to strengthen NCPs

In response to the call from Ministers and stakeholder to strengthen the NCP system, and to address the needs identified through the stocktaking exercise, the Investment Committee and the Working Party on Responsible Business Conduct approved an Action Plan to Strengthen NCPs.²¹ The Action Plan sets out concrete ways to assist countries in setting-up strong and well-functioning NCPs (7).

Box 7. Action Plan to strengthen NCPs: Key measures

The Action Plan presents three different tracks of activities over the period January 2016 – December 2018. These are Peer Reviews and Capacity Building, Building Coherence and Tools Development.

Track one: Peer reviews and Capacity Building

A peer review allows an NCP to identify its strengths as well as areas for improvement. The peer review is conducted by representatives of 2 to 4 different NCPs who assess the NCP under review and provide recommendations. A peer review helps the NCP acquire more visibility in how to better meet the core criteria. It gives the NCP under review a mapping of its strengths and accomplishments, while also displaying gaps and opportunities for improvement. For the purposes of the 2016-18 Action Plan all NCPs that had either committed to undertaking a peer review in the past or had received a minimum of five specific instances were invited to participate in a peer review.

For the remaining NCPs, a capacity building exercise was proposed. Capacity building activities are intended to assist NCPs in meeting the core criteria and improving their internal processes before being reviewed by peers. The framework for capacity building exercises will be developed by the Secretariat in 2016.

Track two: Building coherence

The Action Plan notes that coherence between NCPs can be built through peer learning sessions, the promotion of guidance for enterprises developed under the proactive agenda and by the Secretariat providing a centre of expertise. Peer learning sessions serve as catalysers for sharing experience between NCPs and an opportunity for NCPs to learn from experts. Peer learning sessions can take place at the NCP meetings at the OECD as well as at regional events organised locally by NCPs. Learning from peers may also happen through mentoring/matching programs which enable more experienced NCPs to share their experiences with other NCPs. Good practices will over time be made accessible in a compendium developed by the Secretariat.

²¹ OECD (2015) Implementation of an Action Plan to Strengthen National Contact Points (internal document).

Box 7. Action Plan to strengthen NCPs: Key measures (cont.)

The proactive agenda, which includes recommendations for MNEs operating in different sectors, can be used to guide enterprises in observing the Guidelines. NCPs are expected under the Procedural Guidance to identify emerging areas for future proactive agenda projects. To facilitate the participation of the NCPs, it is suggested that special training on how best to contribute be put in place. Also, updates on the proactive agenda should feature at NCP events in a regular fashion.

Track three: Building and improving tools

To facilitate the activities of NCPs, the OECD has developed several tools. For instance, the OECD database of specific instances provides a record of all cases that have been reported by NCPs to date. This database aims to assist NCPs in handling specific instances by referring to similar cases handled by other NCPs. Other potential tools for NCPs include a set of power-point templates, a manual for officials that are new to the NCP role, quarterly newsletters and a series of webinars.

Chapter 3

Implementing the Guidelines in Specific Sectors

The Guidelines apply to enterprises operating across all industry sectors. However, specific challenges may arise when implementing them in various contexts and sectors and therefore adherents have supported the development and implementation of sector specific guidance to address these unique challenges. In 2009, the OECD began working on the sector-specific application of the Guidelines, starting with a programme on responsible supply chains of minerals from conflict-affected and high-risk areas. Recognising the success and effectiveness of focused, multi-stakeholder collaboration, during the 2011 update of the Guidelines adherents called for the OECD to pursue a so-called “Proactive Agenda” which would entail collaborative, demand-driven work with OECD and non-OECD countries, business, workers and civil society to implement the Guidelines in specific sectors or geographies.

Since then, sector projects on responsible business conduct continue to be a major and growing pillar of work, with current projects on (i) responsible mineral supply chains; (ii) stakeholder engagement in the extractive sector; (iii) responsible agricultural supply chains; (iv) responsible garment and footwear supply chains, and (v) responsible business conduct in the financial sector. This work has contributed to redefining risk in industry sectors and global supply chains, marking a shift away from traditional commercial risk management to a more holistic approach that addresses risks of business impacts on society and the environment, with a view to promoting inclusiveness and growth. An overview of highlights is provided in Annex VIII.

Highlights during the reporting period

The main breakthroughs over this period include:

Responsible mineral supply chains

- Strong co-operation with the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCME), with the support of China’s Ministry of Commerce (MOFCOM), led to the development of the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains*, which are based on the *OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (“OECD Minerals Guidance”) and were launched in Beijing in December 2015.
- Continued co-operation with the European Union on the preparation of the draft regulation for mineral importers and exporters in Europe based on the OECD Minerals Guidance.

- Capacity building in major mineral producing, refining and consuming regions such as the Democratic Republic of the Congo, Rwanda and India on mineral supply chain due diligence, human rights risks and artisanal and small-scale mining.

Meaningful stakeholder engagement in the extractive sector

- Approval of the *OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector* and its implementation plan by the Investment Committee, with significant multi-stakeholder support.

Responsible agricultural supply chains

- Approval of the *OECD-FAO Guidance for Responsible Agricultural Supply Chains* (“OECD-FAO Guidance”) and its implementation plan by the Investment Committee, the Committee for Agriculture and Food and Agriculture Organization of the United Nations (FAO), with significant multi-stakeholder support.
- Draft Recommendation of Council Recommendation on OECD-FAO Guidance proposed by the Working Party on RBC.

Responsible garment & footwear supply chains

- Major progress towards a common understanding of due diligence in the garment and footwear preparation and revision of the draft *OECD Guidance for Responsible Supply Chains in the Garment & Footwear Sector* (“OECD Garment Guidance”), and the successful hosting of a Roundtable on Due Diligence in the Garment and Footwear Supply Chain.
- Increased engagement on responsible supply chains in the garment and footwear sector between key producing countries, in particular China, India, Cambodia and Bangladesh, and the OECD.

Responsible business conduct in the financial sector

- Following the conclusions of a first exploratory phase on RBC in the financial sector, a new multi-stakeholder Advisory Group was constituted and a next phase of work was launched to elaborate good practices for responsible business conduct in (i) investment (asset ownership and management), (ii) asset & project finance, and (iii) corporate finance. Preparation of a first draft of *OECD Guidelines for Multinational Enterprises: Institutional Investment and Due Diligence*.

Helping business redefine risk

Since the 2011 update, the Guidelines incorporate the expectation for enterprises to carry out risk-based due diligence - the process by which enterprises identify, prevent,

mitigate and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems.¹

Risk to people and the environment

Business has traditionally categorised ‘risk’ as risks to the business itself, including strategic, operational, compliance, financial and reputational risks. However, under the Guidelines, the term ‘risk’ refers to risks of adverse impacts on matters covered by the Guidelines, including human rights; employment and industrial relations; environment; combatting bribery, bribe solicitation and extortion; and consumer interests.

In 2015, OECD sector work on the Guidelines sought to increase awareness amongst enterprises on risks of adverse impacts to people and the environment in various sectors and build the capacity of enterprises to identify and address such risks in their supply chains. Key achievements include:

- Finalisation of new Due Diligence Guidance for enterprises operating in the agricultural and extractives sectors (8) and drafting Due Diligence Guidance and good practices for enterprises operating in the garment and footwear sector (9) focusing particular attention on environmental, human rights, labour and other social risks, as well as bribery and corruption (to be finalised in 2016).
- Launch of the proactive agenda project on RBC in the financial sector and developed the first draft of a good practice paper on RBC and institutional investment which strives to provide approaches for investors in implementing due diligence to manage adverse impacts linked to their investments.
- Launch of a new process to develop a General Guidance on Risk-Based Due Diligence for Responsible Business Conduct (to be finalised in 2016);
- Advancing the development targeted and practical due diligence recommendations for specific labour, human rights and environmental adverse impacts in the minerals and garment supply chains, notably child labour, including worst forms of child labour, discrimination, forced labour, hours of work, occupational health and safety, right to join a trade union and representative worker organisation, wages, chemical use, water, and energy (*to be finalised in 2016*);
- Hosting of sessions on “Due Diligence for Freedom of Association” and “Environmental Due Diligence” at the OECD Roundtable on Due Diligence in the Garment and Footwear Supply Chain. These sessions explored practical approaches to applying due diligence to impacts covered in the Guidelines.
- Undertook in-depth trainings in the Democratic Republic of the Congo and Rwanda for local mining authorities and mineral exporters on the implementation of the OECD Minerals Guidance (July 2015).

¹. OECD Guidelines for Multinational Enterprises (2011), Chapter II, Commentary on General Policies, Para. 14.

Box 8. OECD-FAO Guidance for Responsible Agricultural Supply Chains

The OECD-FAO Guidance for Responsible Agricultural Supply Chains aims to help enterprises operating along agricultural supply chains observe standards of responsible business conduct to ensure that their operations do not lead to adverse impacts and contribute to sustainable development. It was developed over the period October 2013 to September 2015 under the guidance of a multi-stakeholder Advisory Group, including representatives from OECD and non-OECD members, the private sector, and civil society.

The Guidance proposes:

- A model enterprise policy outlining the standards that enterprises should observe to build responsible agricultural supply chains;
- A framework for risk-based due diligence describing the five steps that enterprises should follow to identify, assess, mitigate and account for how they address the adverse impacts of their activities;
- A description of the major risks faced by enterprises and the measures to mitigate these risks;
- Guidance for engaging with indigenous peoples.

The Guidance covers the following ten areas of risks arising along agricultural supply chains: human rights, labour rights, health and safety, food security and nutrition, tenure rights over and access to natural resources, animal welfare, environmental protection and sustainable use of natural resources, governance, technology and innovation.

The Guidance is implemented in partnership with FAO, including through: a pilot project to enable enterprises to road-test it and share best practices; the development of easy-to-use guides; and the organisation of webinars to build the capacities of the various stakeholders involved in agricultural supply chains.

Box 9. Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector

The Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector provides a framework for identifying and managing risks with regard to stakeholder engagement activities to ensure they play a role in avoiding and addressing adverse impacts as defined in the *OECD MNE Guidelines*. The guide also includes an assessment framework for industry to evaluate their stakeholder engagement performance and targeted guidance for specific stakeholder groups such as indigenous peoples, women, workers and artisanal and small scale miners. Practical strategies are provided for common challenges.

This Guidance is primarily intended for on-the-ground and/or site-level personnel of extractive enterprises that come into contact with communities and stakeholders, or for larger firms, staff that are responsible for stakeholder engagement activities (the term ‘stakeholder facing staff’ is used throughout the guide to refer to both types of actors). It also includes recommendations to the executive management of extractive operations. This guide can also serve as a reference to stakeholders themselves and the NCPs for the OECD MNE Guidelines on approaches recommended to industry.

Overarching principles of the Guidance include:

- Integrating stakeholder engagement into project planning and regular business operations through sharing of decision-making power with interested and affected parties;
- Practicing stakeholder engagement that is driven by stakeholders through ongoing consultation and follow-through;
- A stakeholder engagement strategy which prioritises engagement with most impacted rather than most influential stakeholders.

Risks in the entire supply chain, from raw materials to consumers

Traditionally, labour and environmental compliance programmes in the supply chain have focused on the identification and prevention/mitigation of impacts linked to direct suppliers and business partners. In the context of the Guidelines, however, enterprises are expected to conduct risk-based due diligence to identify risks along the full extent of the supply chain, sometimes multiple “tiers” away in the supply chain, and prioritise impacts for mitigation and prevention based on the severity of the impact.

Given the complexity and fluid nature of global supply chains, this is no easy task. For example, a typical electronic device can include anywhere from six to twelve “tiers” of suppliers and sub-suppliers between the site of raw material production (e.g. a mine site for metals) and the consumer, with refined metals entering the market after smelting and refining as small parts of various components in end products. Similar challenges may arise in the garment and footwear supply chains (10).

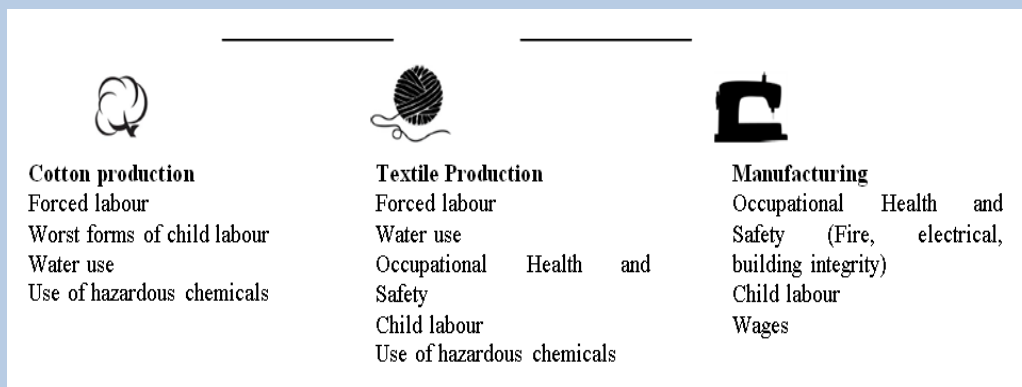
This fragmentation of production and trade means that so-called “downstream companies” – for example electronic companies, jewellers, component manufacturers, etc. - often have limited visibility over suppliers and conditions beyond their immediate business relationships. OECD work on due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas helped to pioneer innovative approaches for companies to identify, prevent and mitigate risks linked to raw materials in complex global supply chains, in that case, the sourcing of minerals from conflict-affected and high-risk areas.

In 2015, OECD built on its learning from the mineral supply chain to advance and strengthen the “whole of supply chain” approaches to risk-based due diligence. In this regard, key achievements include:

- Improved clarity on the expectations for enterprises to address risks across the full length of the supply chain in the OECD-FAO Guidance for Responsible Agricultural Supply Chains and the draft Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector;
- Hosting of a session on the “Due Diligence of Risks Linked to Raw Material Production” at the OECD Roundtable on Due Diligence in the Garment and Footwear Supply Chain in October 2015. This session looked at learnings from the tobacco, cocoa and extractives sectors to discuss practical approaches to due diligence of risks linked to upstream suppliers.
- Launch of work to assess the alignment of industry mineral smelter & refiner audit programmes designed to support responsible sourcing of minerals for downstream companies with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.

Box 10. Moving beyond tier-1 in the garment and footwear sector

Example risks in supply chain



To date, enterprises in the garment and footwear sector have focused their efforts on addressing adverse impacts linked to immediate suppliers, primarily final-good manufacturing. However, adverse human rights, labour and environmental impacts are prevalent across the full length of the sector's supply chain, with some of the most severe adverse impacts occurring mid-stream (e.g. use of hazardous chemicals at wet-processing of textiles and leather) and upstream (e.g. forced labour at cotton growing).

The draft *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector* clarifies the expectations that enterprises prioritise impacts based on severity for prevention and mitigation - regardless of where they fall along the supply chain. Companies can do this by working together to identify enterprises at key "control points" further upstream in the supply chain. Enterprises at these control points are often multiple tiers away, but have greater visibility and control over upstream production, and downstream companies are encouraged to use their collective industry leverage to ensure those enterprises undertake risk-based due diligence on their raw material sources.

Looking towards an advanced understanding of commercial and RBC risk

Under the Guidelines, the term 'risk' refers to risks of adverse impacts on matters covered by the Guidelines (hereafter referred to as "RBC risks"), and not to the business itself. However, the OECD recognises that there is a link between RBC risks and commercial risks. For example, a recent study by Harvard² found that the costs attributed to delays arising from community conflict can cost a mining project with capital expenditure between USD 3 billion and USD 5 billion on average, i.e. USD 20 million per week in NPV (Net Present Value) due to delayed production.

In 2016, the OECD will seek to research the link between RBC risks and risk to the enterprise (i.e. financial, reputational, operational, strategic, etc.), within the context of cost-benefit analysis of due diligence implementation. Such research will support the broader uptake of due diligence by companies, particularly SMEs and enterprises in non-OECD countries.

² Rachel Davis and Daniel Franks (2014), [Costs of Company-Community Conflict in the Extractive Sector](#), Harvard Kennedy School, Boston.

RBC and inclusiveness for informal workers in global supply chains

In developing countries, up to three-quarters of non-agricultural employment is informal.³ Informal workers face particularly high risks of adverse impacts on human and labour rights, such as low wages and unsafe working conditions. Constructive engagement with the informal sector requires a multi-prong approach that promotes the formalisation of informal workers alongside skills upgrading, access to social services, and social dialogue.

The recommendations of the Guidelines can help informal workers to benefit from economic activity by supporting their formalisation. In 2015, the OECD sector project continued to promote the formalisation of informal workers in various sectors, including the extractives, garment and footwear and agricultural sectors.

Supporting formalisation and inclusiveness in global supply chains

The Guidelines aim to enhance economic growth in host and home countries while increasing well-being and ensuring that growth benefits are distributed fairly across all segments of the population. For example, the Guidelines recommend that enterprises: respect human rights and core labour rights; provide the best possible wages, benefits and conditions of work [...] that should be at least adequate to satisfy the basic needs of the workers and their families; take adequate steps to ensure occupational health and safety in their operations; and avoid supporting, encouraging or participating in disguised employment practices. These recommendations can support the development and formalisation of informal workers. Indeed, poor employment conditions can nourish inequalities and poverty. Very low wages can lead to underinvestment in child education or to child undernourishment, which impairs their cognitive development and lowers their long-term productivity.⁴

Furthermore, the Guidelines recommend that enterprises respect the right of workers to establish or join trade unions and representative organisations of their own choosing, including for the purpose of collective bargaining. The bargaining power of trade unions participates in reducing inequalities and improving employment conditions⁵, including for informal workers.

The Guidelines also recommend that enterprises build local capacity, encourage human capital formation and adopt practices that permit the transfer of technologies and know-how. Strong human capital enables people to participate in the process of growth.⁶ In advanced economies the skills premium is a major element of inequality and may be addressed through education or on the on-the-job training (IMF, 2015). Technology transfer can boost efficiencies in order to offset costs related to upgrading social and environmental performance. By supporting the development of human capital, the Guidelines facilitate the inclusion of informal workers into global supply chains.

3. [ILO Webpage: Informal economy](#) (Accessed 8 July 2016).

4. World Bank and Commission on Growth and Development, (2008), [The growth report: strategies for sustained growth and inclusive development](#), Washington, DC.

5. Era Dabla-Norris, Kalpana Kochhar, Nujin Suphaphiphat, Frantisek Ricka, Evridiki Tsounta (2015), [Causes and Consequences of Income Inequality: A Global Perspective](#), International Monetary Fund, Washington DC.

6. OECD (2015), [All on Board, Making Inclusive Growth Happen](#), OECD Publishing.

However, observing the recommendations of the Guidelines without appropriate safeguards could also potentially exclude informal workers and suppliers from global supply chains, due to capacity constraints and lack of resources in the informal sector to meet high social and environmental standards. The Guidelines thus encourage enterprises to consider the social and economic impacts of responsible supply chain management. This is important because industries featuring the most severe risks are often also those in which the poorest and most vulnerable segments of the population rely on for their livelihoods.⁷ Yet, how this can be done in practice is an on-going challenge for enterprises, and is therefore one area where OECD work on due diligence in the supply chain has focused.

When engaging with high-risk sectors, undertaking thorough due diligence with a view of progressive improvement, constructive engagement with suppliers, and building innovative partnerships with financial institutions to improve suppliers' access to finance and technology, is critical to ensure that vulnerable communities can respond to RBC expectations and not be marginalised from global supply chains. The examples below illustrate how enterprises can support the inclusion of informal workers into global supply chains in different sectors.

Avoiding disengagement: artisanal and small-scale miners in high-risk areas

In 2015, the OECD continued its work to prevent the production and trade of minerals used in everyday products from benefiting armed groups and perpetrators of serious human rights abuses. The implementation programme of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas* (hereinafter the Minerals Due Diligence Guidance) aims to create the right conditions for the development, formalisation and legalisation of artisanal and small-scale miners (ASM). The Minerals Due Diligence Guidance rejects disengagement except in the most harmful circumstances and provides strategies to create economic and development opportunities for informal miners in conflict-affected and high-risk contexts. The Guidance encourages initiatives to promote the formalisation and legalisation of ASM and the implementation of the Guidance' Appendix on Suggested Measures to Create Economic and Development Opportunities for Artisanal and Small-Scale Miners (11).

In the five years of implementation programme of the OECD due diligence guidance for responsible minerals supply chains, market access for artisanal miners has been improved with better prices, better conditions, and more secure long-term commercial opportunities; one industry initiative in 3Ts estimates that 80 000 miners are selling to the programmes and in turn provide support for as many as 375 000 dependents.⁸

⁷ Roel Nieuwenkamp, (9 September 2015), "[Promoting inclusive business through responsible business, Part 1 – Outsource production not responsibility](#)", OECD Insights blog.

⁸ iTSCi (2016), [iTSCi Website: Project Overview](#), (Accessed 8 July, 2016).

Box 11. OECD work to support the inclusion of artisanal and small-scale miners in 2015

In 2015, the OECD Secretariat:

- Commissioned a series of baseline assessments of conditions in gold supply chains in the African Great Lakes region and Colombia;
- Published a report evaluating the impacts of responsible sourcing initiatives after five years in the Democratic Republic of the Congo, based on data collected at over 1100 artisanal mine sites in conflict areas.
- Supported on-the-ground responsible sourcing programmes with technical advice on due diligence, specifically when it comes to promoting the sourcing from artisanal miners in high-risk areas and finding solutions for workable cohabitation of ASM and large-scale mining activities;
- Continued to provide a discussion platform at the ICGLR-OECD-UN GoE Forum on Responsible Mineral Supply Chains and through webinars on ASM issues, including on the use of mercury by artisanal and small-scale gold miners;
- Supported international initiatives to develop entry standards for working with artisanal mine sites, based on the basic expectations of the Minerals Due Diligence Guidance, to improve access to market for ASM communities that are unable to meet the high expectation of international Fair trade & Fair mined gold certification standards.

Promoting inclusive business models for smallholder farmers

A core aim of the OECD-FAO Agricultural Guidance is to enable investors and enterprises in the agricultural supply chain to effectively and positively engage with smallholder farmers. For example, it recommends that enterprises consider feasible alternative investments to avoid or, when avoidance is not possible, minimise the physical and/or economic displacement of legitimate tenure right holders.

As an alternative to large-scale land acquisitions, the guidance recognises that large enterprises can develop inclusive business models involving smallholder farmers, such as contract farming, management schemes, out grower schemes or joint ventures. Such schemes allow smallholder farmers and local communities to benefit from more stable livelihood options and a fairer distribution of the benefits linked to the new business establishment. Indeed, they are often associated with tailored know-how and technology transfer, local capacity building, and more inclusive decision processes. The Guidance also acknowledges how large agri-food enterprises can benefit from establishing long-term relationships with small-scale farmers, thereby supporting their integration into global supply chains.

Protecting homeworkers in the garment and footwear supply chains

In many countries homeworkers are an integral component of the garment and footwear supply chain. However, homeworkers are particularly vulnerable to low wages and poor working conditions. The draft OECD guidance for responsible garment and footwear supply chains provides recommendations for applying due diligence to homeworkers working in the garment and footwear sector including the following:

- Identify local initiatives promoting the formalisation of homeworkers and protecting them against exploitation;
- Support the establishment of a grievance mechanism, and take steps to enable homeworkers to access this mechanism so that they may alert the enterprise and/or government authorities of adverse impacts;
- Engage with the local or national government, including by: (i) promoting the coverage of the law to informal workers; (ii) drawing attention to the underlying causes of informality and encouraging government to remove underlying barriers to entry into mainstream economic and social activities; (iii) promoting the extension of social security coverage through improved access to health care and education for informal workers, including homeworkers.⁹

Multi-stakeholder networks

Supporting the G7 agenda on multi-stakeholder initiatives

Recognising the importance of multi-stakeholder collaboration, the Leaders' Declaration of the 2015 G7 Summit in Schloss Elmau states that "we will strengthen multi-stakeholder initiatives in our countries and in partner countries, including in the textile and ready-made garment sector, building upon good practices learned from the Rana Plaza aftermath. We will continue supporting relevant global initiatives". In their follow up to the Leaders' Declaration, G7 Labour and Development Ministers invited the OECD to monitor G7 contribution to multi-stakeholder initiatives (MSIs).

In 2016, the OECD will support the monitoring of the G7 commitments by building a network of expertise and a framework for analysis of MSIs, including through the development of criteria, indicators and data sources to assess the integrity of MSIs, drawing upon the OECD's unique convening power and using existing platforms, such as the Global Forum on Responsible Business Conduct.

Multi-stakeholder initiatives and collaboration in the supply chain

OECD sector projects on implementation of responsible business conduct in global supply chains have demonstrated that industry and multi-stakeholder collaboration is often one of the best ways to address complex and systemic challenges that lead to human rights, labour, environmental and other adverse impacts covered by the Guidelines.

The multi-stakeholder approach is an integral part of OECD's sector work on responsible business conduct. For example, the development of the different sector guidance have all benefited from multi-stakeholder input to build consensus on how to best address the RBC challenges in specific global supply chains. This involvement of a broad range of stakeholders is critical to ensure buy-in and forge a shared vision, which in turn enables constructive problem-solving over the long-term and avoids misalignment of expectations among different stakeholder groups.

The implementation programmes to promote OECD work on due diligence in the various sectors are also examples of multi-stakeholder collaborations. One of the most active implementation programmes in place since 2011 is the work on responsible

⁹. ILO (2014), Transitioning from the informal to the formal economy, Report (V) 1, International Labour Conference, 103rd session, Geneva.

minerals supply chains, with its multi-stakeholder steering group and Forum. The implementation programme for the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas brings together representatives of over 500 governments, international organisations, companies, industry associations, civil society and experts to promote effective and coordinated responses to implement the OECD Minerals Guidance and constructively address supply chain challenges. As a result, the Forum has helped foster new collaborations to advance responsible mineral sourcing, for example on issues such as integrating the informal mining sector into the formal minerals supply chain (as noted above) and proactively preventing and mitigating complex human rights risks such as child labour in the mineral supply chain. In addition, the Forum has over the years seen increasingly broad and positive engagement from key markets like China and India.

Experience to date from sector projects has shown that multi-stakeholder or industry collaboration can be particularly effective for helping enterprises identify, assess and monitor risks in the supply chain; helping enterprises address systemic risks in the supply chain; maintaining traceability systems and addressing related data inconsistencies; increasing governance credibility of industry run social audit and assurance schemes; building capacity of suppliers and stakeholders on international standards, risk based due diligence, roles and responsibilities of the different stakeholders; engaging with governments and stakeholders in a particular region or on a specific issue; establishing grievance mechanisms.

However, while multi-stakeholder collaboration will often support enterprises in their due diligence and has proven effective in addressing complex RBC challenges, enterprises retain individual responsibility for their due diligence. Furthermore, specific components of due diligence cannot be achieved in collaboration but should be pursued by each individual enterprise, for example, individual enterprise RBC policies and the incorporation of RBC expectations into supplier contracts, communications to suppliers and business partners on RBC expectations; enterprise-specific risk analysis, to complement and reinforce collaborative efforts; internal systems and reporting; and public reporting on due diligence.

Chapter 4

Outreach and co-operation with partners

Promoting dialogue and deepening engagement on RBC with countries that do not adhere to the Guidelines has been one of the top priorities of adherents since the Guidelines were updated in 2011. Co-operation is maintained with a number of key countries, either through regional, country, or sector programmes. The Global Forum on Responsible Business Conduct, which was established in 2013 with the purpose to provide a platform for engagement among all stakeholders, has been a useful vehicle for advancing the global conversation on current and emerging issues on responsible business conduct. Other avenues for dialogue are the sector-specific forums and roundtables (e.g. minerals and textiles) discussed in Chapter 3.

Several outreach efforts in 2015 are worth highlighting. Co-operation with China deepened in a number of topics including responsible business conduct on the occasion of the 20th anniversary of its relationship with the OECD. The focus on Southeast Asia was maintained through regional and country-specific events and a systematic integration of responsible business conduct issues in investment policy reviews. Two roundtables were held in India to discuss practical solutions to issues in the Indian section of the global garment and footwear and gold supply chains.

Promoting Responsible Supply Chains in Southeast Asia

Engaging with business

As part of the ongoing efforts to reach out to more businesses and as part of the implementation of the OECD/UN Economic and Social Commission for Asia-Pacific (ESCAP) Memorandum of Understanding, the OECD Secretariat participated in the Asia-Pacific Business Forum (APBF) on 25-27 November 2014 in Colombo, Sri Lanka and on 2-3 November 2015 in Bangkok, Thailand. The Asia-Pacific Business Forum, organised jointly by ESCAP and its Business Advisory Council and Sustainable Business Network, is the largest business gathering in the region, established to promote regional public-private sector dialogue on the role of business in achieving inclusive, resilient and sustainable development.

The 2014 APBF in Sri Lanka focused on *Enhancing regional business sustainability and investment*.¹ The OECD Secretariat participated in a number of sessions to present the work on responsible business conduct and hosted a consultation on *Improving the investment climate – business views* to seek regional feedback and views on the update of the Policy Framework for Investment.

¹. UN ESCAP (2014) [Eleventh Asia-Pacific Business Forum 2014](#), (Accessed 8 July 2016).

The 2015 APBF in Thailand focused on *Driving growth and sustainability through business*, with a particular focus on: new regional economic and financial order; harnessing entrepreneurship, technology and innovation for sustainable development; and sustainable business.² The OECD and ILO held a joint session on *Responsible Business in Global Supply Chains* to discuss approaches for risk-management in different stages of different supply chains and to promote the OECD due diligence guidance reports in the agriculture, garment and footwear, and extractives sectors. The OECD also participated in the first meeting of the ESCAP Sustainable Business Network, held as part of the APBF, which was established in order to address regional issues of environmental sustainability and social inclusiveness in business.

Promoting the contribution of responsible business to the Sustainable Development Goals

The OECD, ESCAP, ESCAP Business Advisory Council and Global Reporting Initiative co-organised a regional conference on *Aligning Corporate Sustainability with Sustainable Development Goals (SDGs)* on 20 May 2015 in Bangkok, Thailand. The outcomes of the conference were fed into the discussions at the Asia-Pacific Forum on Sustainable Development, which provided a regional view to the global High-level Political Forum on Sustainable Development. The outcomes were also used input to the inclusive business work stream at the G20 under the Turkish presidency in 2015.

The discussions at the conference clearly signalled that translating the SDGs into effective national frameworks is of crucial importance from a business point of view, particularly when it comes to identifying how to fill investment gaps needed for their successful implementation. Businesses called for more and better partnerships with governments in specific areas that were highlighted to be of particular relevance in the regional context, such as resource efficiency, carbon emissions, responsible consumption and sourcing through effective stakeholder engagement, technology and innovation. It was also clear that more needed to be done to promote responsible business conduct, both on regional and national levels, as the level of awareness around business responsibility, as well as the business case for sustainability, was low, particularly among small- and medium- size enterprises.

New framework for co-operation with China

Advances have also been made on country-level co-operation. On 15 July 2015, on the occasion of the 20th anniversary of co-operation, the OECD and China signed a comprehensive Memorandum of Understanding and programme of work for 2015-2016, setting out the strategic vision and activities in a number of topics, including responsible business conduct.³ Chinese authorities view responsible business conduct as a way to promote sustainable development and the *Go Abroad* strategy. Chinese investors are active in all parts of the world and often invest in sectors where the environmental and social risks are high, such as manufacturing and extractives. Chinese enterprises are also

² UN ESCAP (2015), [Twelfth Asia-Pacific Business Forum Report](#).

³ OECD (1 July 2015) Press releases: [Visit by Chinese Premier Li Keqiang to the OECD in Paris on 1st July 2015](#); [China signs co-operation agreements with OECD and joins OECD Development Centre](#).

an integral part of global supply chains. For both of these reasons, responsible business conduct co-operation with China is of crucial importance.

The OECD works closely with Ministry of Commerce (MOFCOM) Department of International Trade & Economic Affairs and continues to build strong working relationship with Chinese industry partners such as the China Chamber of Commerce Metals, Minerals & Chemicals Importers and Exporters (CCCMC), a key interlocutor to promote responsible mineral supply chains, and the China National Apparel and Textile Council (CNTAC). Activities in 2015 included several workshops and exchanges of experience, as well as the creation of an informal contact group to share information and coordinate responsible business conduct initiatives. The contact group, accounting for about 75 members from different organisations, met twice in person in Beijing. The Chinese approach to responsible business conduct was also presented during a specific session at the 2015 Global Forum on Responsible Business Conduct.

Sharing experience on responsible business conduct

The OECD and the Chinese Academy of International Trade and Economic Co-operation (CAITEC), under the auspices of MOFCOM, organised a joint workshop on 28 May 2015 in Beijing to exchange experiences and share information among National Contact Points (NCPs) for the Guidelines from 10 countries - Brazil, Canada, France, Germany, Israel, Korea, Netherlands, Norway, Sweden, United Kingdom - and Chinese authorities, businesses and stakeholders that work on responsible business issues. The meeting focused on the importance of responsible business conduct for sustainable development, national approaches to responsible business conduct and the role of the Guidelines, the NCP mandate, and case studies of how to resolve issues. Over 100 participants attended the workshop representing different parts of MOFCOM, State-owned Assets Supervision and Administration Commission of the State Council, broad range of Chinese state-owned companies and industry associations, embassy representatives from the United States, European Union, Japan, Portugal and others, OECD business, trade union and NGO stakeholders and other international organisations and NGOs (ILO, Red Cross, Global Reporting Initiative, Oxfam, and others). The discussion showed a high-level of awareness of and interest in responsible business conduct and the Guidelines among Chinese stakeholders. It also evidenced a strong demand from the Chinese industry for the government to provide more guidance on responsible business conduct, as compliance with the law is still considered to be the fastest way of incentivising responsible practices among Chinese businesses. Chinese participants showed significant interest in the NCP specific instance mechanism and the details of how NCPs operate, especially as related to the application of the Guidelines in China and abroad and their role of providing advice and information to enterprises.

Aligning approaches to the minerals supply chain

There have also been significant advanced in co-operation with Chinese businesses. CCCMC and the OECD signed a Memorandum of Understanding in 2015 to co-operate in the development of Chinese-owned industry guidelines for responsible mineral supply chains, to be based on the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, in order to align Chinese company due diligence with international standards and allow for mutual recognition with existing international initiatives and legislations. The OECD guidance is a recognised international standard for sourcing minerals or metals from conflict-affected and high-risk areas.

As a result of these efforts, the *Chinese Due Diligence Guidelines for Responsible Minerals Supply Chains* were launched during CCCMC/OECD workshop on *Responsible Mineral Supply Chains* on 2-3 December 2015 in Beijing. Over 170 participants from MOFCOM, the General Administration of Quality Supervision, Inspection and Quarantine, Ministry of Land, OECD member countries, the Government of the Democratic Republic of the Congo, representatives from the International Conference on the Great Lakes Region, the EU, the UN, the World Bank, and numerous industry leaders attended. The elaboration of the Chinese Guidelines represents a significant step for addressing human rights issues in the minerals supply chain.

Consultation on garment and footwear sector

The OECD also held a consultation on 10 December 2015 in Beijing in co-operation with CNTAC to seek feedback from the Chinese stakeholders on the draft OECD due diligence guidance for the garment and footwear sector and to discuss the application of the guidance in the Chinese context.

Future co-operation

Planned co-operation activities with China will focus on deepening co-operation in a number of topics through, inter alia, inviting the Chinese authorities to participate in the dialogue at the OECD and relevant events, such as the Global Forum on Responsible Business Conduct; undertaking a joint research exercise to examine the links between the existing Chinese guidelines related to responsible business issues and the Guidelines; the development of an audit programme for the Chinese Due Diligence Guidelines; and the promotion of OECD guidance in the agricultural, garment and footwear, and extractive sectors.

India

India is a key partner of the OECD. Two roundtables were held in November 2015 on the occasion of the *India and Sustainability Standards International Dialogues and Conference*, organised by the Centre for Responsible Business. The Centre for Responsible Business is a non-profit Indian organisation that works with a wide range of stakeholders to promote responsible business in India. The two roundtables focused on the garment and footwear sector and gold.

Responsible business in apparel and textiles

Around 80 participants from Indian business, international brands, civil society and workers discussed the current state of environmental and social standards in the textile and garment sector in India in this roundtable. In 2014, India was one of the biggest textiles (5.8%) and clothing (3.7%) exporters in the world.⁴ A focus of the discussion was finding new models for risk management and collaboration among the participants in the value chain. Although standards and codes of conduct have been a feature of the garment and apparel industry for twenty years, many of the same human rights, labour and environmental challenges persist.

One of the key challenges facing the sector is the lack of harmonisation of labour standards across Indian states. Manufacturers expressed challenges in relation to the

⁴ World Trade Organization (2015), [International Trade Statistics 2015](#).

purchasing practices of brands, notably related to price negotiations. International brands expressed a desire for manufacturers to take ownership of their internal due diligence practices by being proactive in identifying adverse impacts within their own operations and developing strategies to prevent and mitigate such impacts. Participants agreed that manufacturers and international brands should work together to take a risk-based approach to due diligence and identify the most severe adverse impacts facing the sector in India in order to employ a harmonised and systematic approach to addressing them. It was recommended that regional business associations be formed to collaborate on the most salient risks in the sector within each specific region. It was noted that it would be useful for businesses, once a harmonised strategy is agreed on, to use their leverage to encourage the government to address existing gaps in the regulatory environment and service provision.

Responsible gold

Around 40 participants from the private sector, including gold refiners and traders, practitioners, and industry association representatives, discussed the latest developments in national and international requirements and export markets for gold, ways to overcome practical challenges in due diligence, and the necessity for government involvement in the sector.

According to the World Gold Council, India's exports of gold jewellery account for around 8% of the global market. India has also seen a huge growth in gold demand in the past 10 years. Imports to India account for 20% to 25% of global gold demand and remain the main source of supply.⁵ However, there are increasing concerns related to the extraction of raw materials and the production of consumer goods in supply chain. Gold has been associated with money-laundering, the financing of armed groups and the perpetration of serious abuses of human rights.

The implementation of international standards for responsible business in this particular sector in India is still lagging, although several organisations have been promoting responsible sourcing, such as the Gem & Jewellery Export Promotion Council, the Responsible Jewellery Council, and Signet Jewellery. Several factors were mentioned as being structurally problematic, including a very low level of awareness among private sector operators of issues related to responsible business conduct, as well as the practical difficulties of gathering information on the origins of scrap gold, which remains a major source of supply for the refining industry in India.

Participants agreed on the potential benefits of implementing due diligence, in particular in terms of securing access to new sources of supply and securing access to consumer markets. However, it was noted that regulation of gold imports, in particular for imports to be allowed to go only through entities implementing due diligence, is essential to ensure that adverse impacts are at least partially addressed.

Integrating responsible business conduct in investment policy reviews

As discussed in the previous chapters, the OECD Policy Framework for Investment was updated in 2015 through an intensive multi-stakeholder process, bringing together the practice, experience and lessons learned from a number of advanced, emerging and developing economies on what makes up a good investment environment. The chapter on

⁵. World Gold Council (2015), [Developing Indian hallmarking](#).

responsible business conduct is a comprehensive collection of policy considerations relevant to attracting and keeping quality investment.

The Policy Framework for Investment, along with OECD investment instruments like the Guidelines, is the basis for OECD Investment Policy Reviews. These country reports present an overview of investment trends and policies in the countries that are reviewed. Although responsible business conduct has been a topic included in some past reviews, particularly since the update of the Guidelines in 2011, it will now be included as a core issue in all reviews. This is a reflection of both the importance of this topic in enabling investment policies that contribute to sustainable development and the increasing interest from the countries being reviewed to look at the impact of investment on sustainable and inclusive development and the policies for addressing the possible gaps in objectives for attracting investment and ensuring its quality (12).

The reviews of several countries in Southeast Asia, including the Philippines (2015), Viet Nam, Lao PDR, and Cambodia, forthcoming in 2016, will thus all include a chapter describing the current framework for enabling responsible business conduct in the country, and providing recommendations for improvement. These chapters, as is the practice for all Investment Policy Reviews, are done in close co-operation with the authorities, and therefore provide an opportunity for closer engagement and exchanges of experience.

Box 12. Policies for enabling responsible business conduct

The Policy Framework for Investment recognises that all parties – including both businesses and governments – have a role to play in building a healthy business environment. While businesses are expected to act responsibly, governments have a duty to protect the public interest from potential negative effects of business activities and a role in providing an enabling environment for businesses to act responsibly. To the extent that governments fulfil this role, they are more likely to attract and retain high quality and responsible investors and hence to ensure broader value creation and sustainable development. Governments can enable RBC in several ways by:

- **Regulating** – establishing and enforcing an adequate legal framework that protects the public interest and underpins RBC, and monitoring business performance and compliance with regulatory frameworks;
- **Facilitating** – clearly communicating recommendations on what constitutes RBC, providing guidance with respect to specific practices and enabling enterprises to meet those recommendations;
- **Co-operating** – working with stakeholders in the business community, worker organisations, civil society, general public, across internal government structures, as well as other governments to create synergies and establish coherence with regard to RBC;
- **Promoting** – demonstrating support for best practices in RBC;
- **Exemplifying** – acting responsibly in the context of the government's role as an economic actor.

Third Global Forum on Responsible Business Conduct

The Global Forum on Responsible Business Conduct (GFRBC) was launched in 2013 to strengthen international dialogue on responsible business conduct and to enhance the synergies between corporate responsibility instruments on all levels, including the Guidelines. The 2015 Global Forum on Responsible Business Conduct (GFRBC), held on 18-19 June at the OECD in Paris, brought together over 750 participants from governments, businesses, trade unions, and civil society. This chapter includes the highlights of the discussions, based on the 2015 GFRBC Summary Report.⁶

This Global Forum was the first OECD event organised according to OECD greening policies intended to reduce the environmental impact of meetings. This included no unnecessary printing, ethical catering, waste minimisation, and environmental footprint measurement.

Workshop on National Action Plans

The 2015 GFRBC included a workshop on National Action Plans (NAPs) on 17 June, co-hosted by the Chair of the OECD Working Party on Responsible Business Conduct and the Chair of the UN Working Group on Business and Human Rights, which attracted over 100 participants, including 80 policy makers to discuss best practices and challenges in the development of NAPs on Responsible Business Conduct and NAPs on Business and Human Rights.⁷ The event included a consultation with stakeholders.

Policy makers shared challenges and best practices in the development of NAPs. They discussed best practices in defining the content of NAPs, underlying that not all NAPs need to look the same and, indeed, should reflect the diversity of their contexts. In some contexts, focusing on the salient issues or sectors, rather than articulating a comprehensive approach may be a more realistic and a strategic first step to be taken. Another point made was that it is important to manage expectations with stakeholders when seeking ideas during the NAP development process considering that all NAPs, particularly those time-bound in the short term, might not necessarily address all issues related to human rights or responsible business conduct.

Policy makers also discussed how to overcome challenges related to the lack of clarity as to who is responsible for the NAP process. Many policy makers noted that different bodies of the government were hesitant to take ownership of the process. Many also acknowledged that public pressure to start the process was what catalysed the development of NAPs in some cases. Indeed, it was noted that the initiative for the process does not have to come from within the government. Having noted that, the importance of ownership and championing of the process at a senior level and/or by one specific body was highlighted as a key determinant of a successful NAP process.

Participants emphasised the importance of policy coherence and noted that in their own development processes multiple ministries are generally involved. It was recognised that the NAP development process can in and of itself be a tool to raise the profile and cohesiveness of policies on responsible business conduct at the government level. An interesting point was made that implementation of the NAPs should be considered proactively and beginning at the NAP development stage.

⁶. OECD (2015) [Summary Report of the 2015 Global Forum for Responsible Business Conduct](#).

⁷. [Agenda of Workshop National Action Plans \(NAPs\) 17 June, 2015](#).

Discussion highlights from the Global Forum

Need to scale up and speed up

A recurring theme throughout the GFRBC discussion was there continues to be a need to scale up and speed up both government and business action on responsible business conduct. Without more active and responsible businesses, long-term change envisioned in SDGs and climate change agreements cannot be realised over the coming years. The business community was called on to thoroughly examine their practices within the global value chain and deliver solutions.

At the same time, panellists stressed that governments and other stakeholders also needed to act. This includes ensuring that instruments such as the Guidelines are strengthened and consistently implemented. For example, issues around access and provision of remedy continue to be cross-cutting and urgent issues. NCPs can contribute significantly to resolving to these issues, but not without adequate resources. Another example is addressing the reduction of emissions and climate change risks through business operations. There is a need to better align the collection, quality and reporting of corporate climate change-related information with governments' climate change objectives. Convergence of reporting schemes around best practices would help improve the level, quality and comparability of reported information, and effectively supports companies' contribution towards government climate change objectives. Governments could facilitate such convergence.

Responsible business conduct in China

The GFRBC also included a session on recent developments in the approach of the Chinese government and industry in promoting and implementing responsible business conduct both within China and abroad. The session underscored the progress made in China on RBC in recent years (for example in environmental policies and taxation) and how the demand for more responsible business practices in China and by Chinese companies abroad has grown. The OECD-China co-operation, discussed in the previous chapter, will be an opportunity to continue the work.

Enabling responsible supply chains

Four sessions on agriculture, garment and textiles, financial, and extractive sectors looked at sector-specific issues in the supply chain, and provided an opportunity to highlight OECD work in these areas (see Chapter 3). For the agriculture and garment and textiles sectors, the importance of partnerships and multi-stakeholder initiatives was particularly highlighted as a way to transformational change in the sector. For the financial sector, panellists discussed investor responses that are optimal and most effective for exerting influence among investee entities to promote responsible business conduct. The importance of engagement was also highlighted in this context, although it was noted that a lack of resources within financial institutions allocated to engagement efforts was a challenge. For extractive sector, the session explored how and why, despite low commodity prices, spending decisions related to responsible business conduct continue to be a part of core project activities and assessed alongside technical and business risks. Project delays caused by local discontent are a clear incentive for doing things the right way.

Addressing emerging issues

The GFRBC also featured two sessions on emerging topics, namely how responsible business conduct relates to competition law and international sporting events. Regarding competition law, panellists noted that governments need to take responsibility for policy coherence and clearly articulate when responsible business initiatives are likely to be pro-competitive, or at least competitively neutral. The need to coordinate with competition authorities was highlighted, particularly when encouraging certain behaviour among companies through avenues beyond regulation. The main take away from the international sporting events session was that there is no need to develop new principles and standards, but rather to guarantee that these standards are observed and adequately implemented. International sporting bodies were called on to use their considerable leverage and influence to ensure responsible business practices are a norm, particularly considering that they set the rules of the game through the bidding process, contractual requirements and other ways. Panellists also stressed the need for international sporting bodies to be transparent and accountable themselves.

Annex I

References to the Guidelines and NCP statements in export credits agency (ECA) policies and procedures

| Country | Are the Guidelines referenced in the ECA policy or application criteria? | Are NCP Statements considered in review of applications to the ECA? |
|-------------------|--|---|
| Argentina | | |
| Australia | Australia's Export Finance and Insurance Corporation (EFIC) promotes corporate social responsibility principles on its websites. It highlights adherence to the Common Approaches, and the Equator Principles. Reference to the Guidelines and links to the Australian NCP's website are also provided on the EFIC website. | Consideration of NCP statements is not part of the formal procedures of EFIC but EFIC meets regularly with the NCP through informal arrangements. |
| Austria | The OeKB, Austrian Export Credit Agency, has a reference to the Guidelines in their application forms for export guarantees and highlights adherence to the Common approaches on its website. | Formal environmental and social assessment procedures are in place. |
| Belgium | Belgium's public credit insurer, Delcrede-Ducroire, assesses the environmental and social impacts of all transactions for which applications of cover are received. On the "Ethics" page of its website, the insurer encourages enterprises to adhere to the <i>Guidelines</i> and describes the impact analysis process informed by the OECD's Common Approaches. In application forms to ECAs applicant must sign a statement that they are aware of the recommendations of the Guidelines for Multinational Enterprises. | Formal procedure includes a regular exchange of information with the NCP. NCP statements are considered on a case-by-case basis. |
| Brazil | The Brazilian Development Bank has developed its own guidelines on social and environmental responsibility. It also promotes the OECD Anti-Bribery Convention on its website. | |
| Canada | Export Development Canada (EDC) promotes a range of corporate responsibility principles and standards, including the recommendations of the <i>Guidelines</i> , as well as the Common Approaches, the Equator Principles, Extractive Industries Transparency Initiative (EITI), and the Voluntary Principles on Security and Human Rights, among others. Promotion and use of the <i>Guidelines</i> is included in EDC's annual Statement of Priorities and Accountabilities. The Business Development Bank of Canada (BDC) also promotes the <i>Guidelines</i> by providing environmentally responsible financing through a questionnaire reflecting the <i>Guidelines</i> , which informs decision-making on eligibility. | As part of an informal working approach, the EDC considers any statements or reports made publicly available by the NCP. |
| Chile | | |
| Colombia | | |
| Costa Rica | | |

| Country | Are the Guidelines referenced in the ECA policy or application criteria? | Are NCP Statements considered in review of applications to the ECA? |
|-----------------------|---|---|
| Czech Republic | EGAP, the credit insurance corporation connected with the exports of goods and services from the Czech Republic, requires an environmental and social review for all project receiving state support and exceeding two years as well as all investment in foreign countries. This review is in compliance with The Common Approaches. | As part of an informal working approach, the EGAO considers any statements made by the NCP although this is not defined by formal procedure. |
| Denmark | Denmark's export credit agency, the Export Kredit Fonden (EKF), maintains an active CSR policy that complies with the <i>Guidelines</i> , the UN Principles on Business and Human Rights, and The Common Approaches. It also guided by the Equator Principles, the UN Global Compact, and the Berne Union. Accordingly, EKF incorporates an evaluation of environmental and human rights risks as part of its risk assessment. | Formal procedures referencing NCP statements were to be developed by beginning on 2014 but are still pending. |
| Egypt | | |
| Estonia | None reported | None reported |
| Finland | Finnvera, Finland's export credit agency, does not directly name or reference the <i>Guidelines</i> , yet it does produce an annual corporate social responsibility report, which is published on its website. The report reviews financial, social, and environmental responsibility aspects. The Common Approaches inform Finnvera's assessments of the environmental and social impacts, including those concerning human rights, of projects it seeks to guarantee. | NCP statements are considered as part of the review process. |
| France | Firms applying for export credits or investment guarantees from COFACE, France's export credit agency, are systematically informed of the <i>Guidelines</i> during the application process. Applicants are asked to sign and declare that they have "read and understood the OECD <i>Guidelines</i> ." | NCP reports are informally included in the impact review process. |
| Germany | Euler Hermes, Germany's Export credit agency, promotes application of the Common Approaches. Companies applying for investment guarantees must confirm awareness of the <i>Guidelines</i> by signature on the application form. Further, Germany's export credit guarantee agency conducts an environmental and social impact review based upon The Common Approaches. | An informal agreement with the Exports credits Agency exists through which the Agency is informed of every new specific instance and its outcome. This has to be taken into consideration In the ECAs decisions. |
| Greece | | |
| Hungary | The websites for the Hungarian Export-Import Bank and the Hungarian Export Insurance agency state that the entities are both obliged to review social and environmental considerations in accordance with criteria established by the OECD. The Hungarian export credit and investment guarantee agency (EXIM) informs prospective investors about the <i>Guidelines</i> and has a link to the brochure of the Hungarian NCP | The ECA informally follows the Guidance of the NCP. |
| Iceland | | |
| Ireland | N/A Ireland does not have official medium and long-term export credit programmes. | |
| Israel | ASHRA, Israel's export insurance agency, details investors' obligations under the OECD Anti-Bribery Convention. Investors, however, are not directly informed about the <i>Guidelines</i> . | |

| Country | Are the Guidelines referenced in the ECA policy or application criteria? | Are NCP Statements considered in review of applications to the ECA? |
|--------------------|---|---|
| Italy | Italy's inward investment agency (INVITALIA), outward investment agency (ITALIA), and its export financial support company (SIMEST) have all published the <i>Guidelines</i> on their websites and disseminated them to enterprises asking for financial support. In addition, the Italian NCP works with SACE, the Italian export credit agency, to promote the <i>Guidelines</i> as part of its CSR strategy. The SACE website does not promote the <i>Guidelines</i> , but does provide information regarding its environmental risk assessment procedures in accordance with the Common Approaches. | The ECA reviews public reports made available by the NCP and maintains a contact with the NCP for requests for information. |
| Japan | The Nippon Export and Investment Insurance (NEXI) have established "Guidelines on Environmental and Social Considerations in Trade Insurance" and Japan Bank for International Cooperation (JBIC) have established "JBIC Guidelines for Confirmation of Environmental and Social Considerations which were both revised to align with the Common Approaches. | Statements from the NCP are considered in the review process as relevant. |
| Jordan | | |
| Korea | The Korean Export-Import Bank recognises the <i>Guidelines</i> vis-a-vis the Common Approaches in its procedures for social and environmental due diligence. | Formal procedures are in place to consider NCP statements. The Korean Export Credit Agency checks all public reports from the NCP and contacts the NCP for more information where relevant. |
| Latvia | | |
| Lithuania | | |
| Luxembourg | The Luxembourg Export Credit Agency promotes its adherence to the Common Approaches. It also details its obligations and compliance other OECD instruments, including the Common Approaches and Anti-Bribery Convention, in its annual reports. | Relevant statements of the NCP are formally considered. |
| Mexico | | |
| Morocco | | |
| Netherlands | The Dutch state agency providing export credit and investment insurance, Atradius, conducts a corporate responsibility review of all transactions it insures and provides a link to the Dutch NCP on its website. The National Policy Document has been revised to take into account the revised Common Approaches. | The National Policy document provides that information provided by NCPs can be taken into account where relevant. |
| New Zealand | The Export Credit Office mentions the <i>Guidelines</i> on its website and provides a link to website of the <i>Guidelines</i> as well as the New Zealand NCP. | |
| Norway | The Guarantee Institute for Export Credits (GIEK) and Export Credit Norway has developed their own CSR policies, which are detailed on their websites. GIEK and Export Credit Norway inform their exporters about the <i>Guidelines</i> , the Norwegian NCP, and the complaint mechanism. | Formally assesses if any exporters or associated partners are under review by the NCP. Regularly communicates with the NCP on the status of cases and shares information about applicants. |
| Peru | | |

| Country | Are the Guidelines referenced in the ECA policy or application criteria? | Are NCP Statements considered in review of applications to the ECA? |
|------------------------|--|---|
| Poland | KUKE, Poland's export credit insurance corporation joint stock company, provides a detailed description of its obligations in accordance with The Common Approaches and encourages its investors to bear the <i>Guidelines</i> in mind when forming their investment strategies. A link to the Polish NCP website is provided. | Information published by the NCP is taken into consideration during project review. |
| Portugal | Portugal's export credit agency COSEC's latest Environmental and Social Approach (ESA) was established to comply with the Common Approaches, and fully support its objectives. Among other measures, the full text of the ESA is now available in COSEC's website; COSEC has strengthened efforts to foster an educational dialogue with banks, exporters and CSOs for the awareness of the environmental and social issues; it has enhanced and updated its internal questionnaire for the environmental and social review of projects; reinforced commitments to make publicly available project and environmental and social information and keep track record of all transactions with environmental impacts, that could be subject of discussion in the Environmental Practitioners meetings. | COSEC may consider statements or reports from the NCP, if appropriate. |
| Romania | | |
| Slovak Republic | The Export - Import Bank of the Slovak Republic (EXIMBANKA SR) has revised its internal procedures to align with the Common Approaches, updated the questionnaire to be answered by exporters requesting official insurance cover and/or financing. Full information regarding procedures in respect to the Common Approaches is available on their website. | NCP's statements are considered where appropriate, but there is no formal policy for this. |
| Slovenia | The environmental and social policy of SID, Slovenia's ECA is based on the Common Approaches. | |
| Spain | Spain's export credit agency, CESCE, and development funding corporation, COFIDES, provides all applicants for aid or investment guarantees with copies of the <i>Guidelines</i> in paper and electronic format. The CESCE website also references the Common Approaches in its description of environmental policies. | In 2013 CESCE reported that they are in the process of setting specific policies and procedures with regard to consideration of NCP statements. |
| Sweden | SEK has developed review and assessment processes according to the Common Approaches. The credit policy includes details on how to escalate E&S risks in all lending transactions according to the sustainability policy. The sustainability scorecard supports the organisation in identifying E&S risks, conducting controls and involving sustainability analysts for enhanced due diligence. Systems as Reprisk and Maplecroft provide automatic E&S intelligence on a country/sector and company level to the sustainability scorecard. SEK arrange bilateral meetings with exporters to discuss demands on international standards and how to implement UN guiding principles on business and human rights. | Consideration of statements of the NCP is part of formal procedures. |
| Switzerland | Assessments by SERV, the Swiss Export Credit Agency, are based on the following Guidelines: the Common Approaches, the anti-corruption guidelines and the guidelines to promote sustainable lending to low-income countries. The Guidelines for Multinational Enterprises also apply to multinational enterprises. | The published statements and reports of the NCP are evaluated by SERV on a regular basis. Information on exporters, buyers, and buyer countries mentioned in the reports and statements would be specifically considered in environmental, social and human rights due diligence. |
| Tunisia | | |

| Country | Are the Guidelines referenced in the ECA policy or application criteria? | Are NCP Statements considered in review of applications to the ECA? |
|-----------------------|---|---|
| Turkey | The Turk EXIMBANK provides a link to the OECD website, but not the <i>Guidelines</i> directly. Turk Eximbank executes Environmental Guidelines which have been prepared in accordance with the Common Approaches in order to mitigate the adverse environmental impacts of the projects financed under the direct lending, guarantee or insurance programs for the export of capital goods and/or services having a repayment period of two years or more other than military equipment and agricultural commodities. | |
| United Kingdom | The Export Finance guide on "Processes and Factors in UK Export" includes a flowchart illustrating the OECD-agreed process concerning environmental, health, safety, social and human rights impacts in respect to projects for which export credit agency support is sought. These processes specifically adhere to The Common Approaches, Sustainable Lending Practices, and Bribery Recommendation frameworks. | The UK NCP shares its initial and final assessments with the Export Credit team who are also represented on the Steering Board. The NCP meets with members of Export Credit. |
| United States | The Export-Import Bank provides information on the <i>Guidelines</i> to applicants for their programmes in support of US business activities abroad. The website includes extensive directives concerning due diligence, the environment, social impact, bribery and other relevant issues. Among these, it references international instruments such as The Common Approaches and the Equator Principles. | The U.S. NCP regularly consults with all members of the Interagency Working Group, including the Export Import Bank of the United States, on all Specific Instances received. EXIM Bank considers any relevant implications of Specific Instances submitted to the U.S. NCP as part of its due diligence. |

Annex II

Specific instances closed from June 2014 to December 2015

This annex contains summaries of all specific instances closed during the reporting period (June 2014 through December 2015). These summaries have been drawn from the OECD database of specific instances. For an analysis of closed cases see the section on “Specific instances: Submitted and closed” Chapter 2.

| | |
|--------------------------|--|
| Lead NCP | Argentina |
| Supporting NCP(s) | Australia |
| Description | Specific instance notified by the NGO CEDHA regarding the activities of Xstrata Copper, an Argentinian subsidiary of Glencore Cooper, an Australian multinational enterprise operating in Argentina. Specific instance transferred to the Argentinian NCP by the Australian NCP. |
| Theme(s) | Disclosure, Environment, General policies |
| Date | 16 Sep 2011 |
| Host country(ies) | Argentina |
| Source | NGO |
| Industry sector | Mining and quarrying |
| Status | Concluded |
| Summary | <p>Final statement issued by the Argentinian NCP concluding the specific instance - 3 November 2014</p> <p>In June 2011, the Australian NCP received a request for review from the Argentinian NGO CEDHA alleging that Xstrata Copper, an Argentinian subsidiary of Glencore Cooper, an Australian multinational enterprise had breached the general policies, disclosure, and environment provisions of the Guidelines in Argentina. The NGO called on the company to cease all types of activity related to the El Pachón rock glacier due to its negative environmental impact.</p> <p>The Australian NCP transferred the request to the Argentinian NCP and, on 10 August 2011, issued a public statement regarding the transfer.</p> <p>The Argentinian NCP received the request for review in September 2011 and, after undertaking an initial assessment of the specific instance, concluded that it merited further consideration and offered its good offices to the parties in order to facilitate a dialogue to reach an understanding that would be mutually beneficial.</p> <p>In May 2012, the company provided further information that had been requested by the ANCP on the status of the field survey and the corresponding technical study. The company stated that it had successfully conducted the field works required for the preparation of the technical report, and reiterated the will of the company to work on the initiative of a Protocol for Mining</p> |

| Lead NCP | Argentina |
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| | <p>Activities in glacier areas and periglacial environments announced by CEDHA on 8 October 2011. The company felt that it was important to involve both the Federal Government and the Provincial and Municipal Governments to participate in the elaboration of said Protocol.</p> <p>On this occasion, the Argentinian NCP recommended both parties that they reach an agreement on a common text before inviting any third parties to participate in the Protocol.</p> <p>Although CEDHA and Xstrata/Glencore held informal contacts on the draft Protocol for the glacial territory, and despite the fact that the Argentinian NCP continued with the specific instance mentioned above, conversations were halted by late 2012 and no progress was observed during 2013.</p> <p>The Argentinian NCP forwarded a letter to the National Directorate for Mining, which is under the authority of the Argentine Mining Secretariat, a letter containing the submission made by CEDHA to the ANCP and the relevant Declaration of Formal Admissibility issued by the ANCP. In turn, the National Directorate for Mining conveyed this information to the Ministry of Mining of the Province of San Juan.</p> <p>During 2014, on successive occasions, the Argentinian NCP called the two parties to a meeting in order to update the status report on the specific instance, but attempts were unsuccessful.</p> <p>During a meeting held on 10 March 2014, the President of CEDHA reiterated that he considered that the time granted for dialogue had expired, stating that three years had elapsed since it submitted its claim and that, in spite of certain bilateral meetings between CEDHA and the Argentinian NCP, as well as between the company and CEDHA, no meeting had been held between the three parties under the good offices of the Argentinian NCP. The NGO also considered that Xstrata/Glencore Cooper was disregarding the specific instance and the proceedings before the Argentinian NCP. The company for their part reiterated the need to consult with other federal and provincial entities with respect to CEDHA's attempt to draft a Protocol for mining activities in the glacier area and in the periglacial environment as a pre-condition to the adoption of any measures at this stage.</p> <p>Following these exchanges, the Argentinian NCP analysed its role in this specific instance process and decided that it could no longer fruitfully persist in its role of facilitator. In this respect, the Argentinian NCP has attempted to bring the parties together in order to foster dialogue between them, but the conditions imposed by the company to engage in direct dialogue have frustrated this goal. The NCP's final statement gives more information regarding its decision.</p> <p>The Argentinian NCP still encourages the parties to consider finding a way to generate the conditions required to engage in dialogue and constructively work for the resolution of the issues in which they are involved.</p> |

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| Lead NCP | Netherlands |
| Supporting NCP(s) | United Kingdom |
| Description | Specific instance notified by three NGOs, Friends of the Earth International, Friends of the Earth Netherlands, and Amnesty International, regarding the activities of Royal Dutch Shell, a multinational enterprise operating in Nigeria. |
| Theme(s) | Disclosure, Consumer interests, Environment, Human rights |
| Date | 30 Dec 2011 |
| Host country(ies) | Nigeria |
| Source | NGO |
| Industry sector | Mining and quarrying |
| Status | Concluded |
| Summary | <p>Final statement issued by the Netherlands NCP concluding the specific instance - 2 October 2014</p> <p>In December 2011, the Dutch NCP received a request for review from three NGOs, Friends of the Earth International, Friends of the Earth Netherlands, and Amnesty International, alleging that Royal Dutch Shell had breached the disclosure, environment, and consumer interests provisions of the Guidelines in Nigeria with respect to its operations in Nigeria.</p> <p>The NCP undertook an initial assessment and concluded, in February 2012, that the specific instance merited further consideration. The UK NCP had also been notified by the NGOs of their concerns regarding the company; however the NCPs decided that the Dutch NCP would take the lead on this specific instance. The NCP assisted offered to the parties in a process to find a joint solution to the issues raised by the NGOs, including a proposal to select, in agreement with the parties, a professional independent mediator.</p> <p>After having offered its good offices, the NCP was informed that the NGOs no longer want to continue with the specific instance. The NCP duly concluded the specific instance and issued a final statement. This statement and the governmental response can be read on the NCP's website.</p> |

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| Lead NCP | Switzerland |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the trade unions Pragatisheel Cement Shramik Sangh and IndustriALL Global Union regarding the activities of ACC Limited and Ambuja Cement Limited, controlled by Holcim Group, operating in India. |
| Theme(s) | Employment and industrial relations, General policies, Human rights |
| Date | 7 Jan 2012 |
| Host country(ies) | India |
| Source | Trade Union |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>The final statement issued on 18 December 2014 is available on the Swiss NCP website.</p> <hr/> <p>In January 2012, the Swiss NCP received a request for review from the trade union Pragatisheel Cement Shramik Sangh (PCSS) alleging that ACC Limited and Ambuja Cement Limited, controlled by Holcim Group, had breached the general policies, human rights, and employment and industrial relations provisions of the Guidelines in India. Later that January, the International Federation of Chemical Energy, Mine and General Workers' Union sent a letter to the Swiss NCP in order to join the specific instance process. This Federation has since changed its name to IndustriALL Global Union.</p> <p>More specifically, the trade unions alleged that the concerned cement manufacturing plants didn't treat contract workers fairly. In addition they claimed that the activities of ACC Limited and Ambuja Cement Limited do not provide for enough employment for local people and that the activities impact the human rights of the communities living around the two plants, as they affect their livelihoods.</p> <p>The company responded saying that they had not gone beyond the scope of the Guidelines in their treatment of workers, and works with the major unions at the plants who represent both temporary and permanent workers.</p> <p>The NCP undertook an initial assessment of the specific instance and concluded that it merited further consideration. The NCP therefore offered its good offices to facilitate a dialogue between both parties with the aim of reaching a mutually acceptable outcome. The parties accepted a proposal to have the dialogue facilitated by a professional external mediator contracted by the NCP.</p> <p>Two mediation meetings took place, and the parties were willing to work towards a resolution of the issues raised. The full details of the process, the conclusions and the final recommendations of the NCP are found in their final statement, issued by the NCP upon conclusion of the specific instance. The final statement is available on the NCP's website.</p> |

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| Lead NCP | Brazil |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the trade unions Bank Workers Union of São Paulo, Osasco and Região and Unified Central Workers (CUT) regarding the activities of the multinational enterprise Atento S.A. operating in Brazil. |
| Theme(s) | Concepts and principles |
| Date | 28 Feb 2012 |
| Host country(ies) | Brazil |
| Source | Trade Union |
| Industry sector | Other service activities |
| Status | Concluded |
| Summary | <p>Final statement issued by the Brazilian NCP concluding the specific instance - 28 January 2015</p> <p>In February 2012, the Brazilian NCP received a request for review by the trade unions Bank Workers Union of São Paulo, Osasco and Region and Unified Workers' Central (CUT) alleging that Atento S.A. had breached the concepts and principles provisions of the Guidelines in Brazil.</p> <p>On 14 September 2012, the Brazilian NCP accepted this specific instance for further analysis. On 11 April 2013, Atento informed the NCP in writing of its position regarding the allegations. After analysing this document, the NCP requested further information from CUT which was supplied on 16 April 2014.</p> <p>After providing assistance to parties the notifier informed the NCP that they had reached a resolution with the company in question. On 28 January 2015, the NCP therefore concluded the specific instance and issued a final statement detailing the process and decision.</p> |

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| Lead NCP | United Kingdom |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGOs International Accountability Project (IAP) and the World Development Movement (WDM) regarding the activities of GCM Resources Plc operating in Bangladesh. |
| Theme(s) | General policies, Human rights |
| Date | 21 Dec 2012 |
| Host country(ies) | Bangladesh |
| Source | NGO |
| Industry sector | Mining and quarrying |
| Status | Concluded |
| Summary | <p>Initial assessment issued by the UK NCP regarding the specific instance - 14 June 2013</p> <p>Update statement issued by the UK NCP - June 2014</p> <p>Final statement issued by the UK NCP concluding the specific instance - November 2014</p> <p>Statement issued by the UK NCP's Steering Board - 22 September 2014</p> <p>In December 2012 the UK NCP received a request for a review from the NGOs International Accountability Project (IAP) and the World Development Movement (WDM) alleging that GCM Resources Plc had breached the general policies, human rights, and disclosure provisions of the Guidelines. The key allegation of the NGOs is that, by pursuing plans to develop a mine at Phulbari in Bangladesh, GCM failed to respect the rights of communities in that area. The NGOs said that the mine would displace tens of thousands of people who do not have access to appropriate forms of legal or other protection, and that GCM's plans did not address the adverse impact on these people.</p> <p>The NCP undertook an initial assessment and concluded that certain parts of the specific instance merited further consideration. The NCP's reasons and next steps are outlined in their initial assessment, issued 14 June 2013.</p> <p>Following publication of their initial assessment, the NCP examined the issues accepted for further examination and offered mediation to the parties. Neither party was willing to agree to mediation without pre-conditions unacceptable to the other party, so in July 2013, the UK NCP informed the parties that it would undertake a further examination of the substantiated issues, and make findings on the company's observance of the Guidelines. In response to an invitation from the NCP, both parties then submitted details of additional documents and sources they considered were relevant to a further examination, and the NCP drew on these and relevant third party sources to make its findings.</p> <p>In January 2014, the NCP shared a draft final statement with the parties. Comments were received from the company and the NGOs which were taken into consideration before the final statement was issued. The statement contained recommendations for the company to continue to update its plans in line with international best practice standards, and in particular to pursue the Human Rights Impact Assessment it has advised the NCP that it will include. The NCP also recommended that GCM develop its communications plans on the basis of a full assessment of risks, including the risks of limiting local engagement, and identifies appropriate ways to re-engage with affected communities, increase the information available to them, and take account of their views.</p> <p>Following this, a review of the NCP's procedure as regards the specific instance was requested by the NGOs. The outcomes of this review in the Steering Board's statement were issued 22 September 2014.</p> |

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| Lead NCP | United Kingdom |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGO Privacy International regarding the activities of Gamma International UK operating in Bahrain. |
| Theme(s) | General policies, Human rights |
| Date | 1 Feb 2013 |
| Host country(ies) | Bahrain |
| Source | NGO |
| Industry sector | Other service activities |
| Status | Concluded |
| Summary | <p>Initial assessment issued by the UK NCP - 21 June 2013</p> <p>Final statement issued by the UK NCP concluding the specific instance - December 2014</p> <p>In February 2013, the UK NCP received a request for review from the NGO Privacy International alleging that Gamma International UK had breached the general policies, and human rights provisions of the Guidelines by supplying surveillance equipment to police and security services in Bahrain.</p> <p>The NCP conducted an initial assessment and concluded that the specific instance merits further examination. The NCP offered mediation services to the parties, who accepted, and a meeting took place in September 2013. After this meeting, the parties exchanged correspondence over a number of weeks without making progress. And, on the basis of the Mediator's report received in December 2013, the UK NCP concluded that mediation had failed to produce an agreement and notified the parties that it would make a further examination of the issues.</p> <p>After an in-depth examination of the information at hand, the UK NCP found that the actions of Gamma International UK Limited were inconsistent with the certain provisions of the Guidelines (Chapter II: General Policies, paragraphs 2, 10 & 13, and Chapter IV: Human Rights, paragraphs 1, 4, 5 & 6).</p> <p>The UK NCP recommended that Gamma International UK Limited take the following actions to make its conduct more consistent with the Guidelines:</p> <ul style="list-style-type: none"> Take note of evidence from international bodies and UK government advice in its future due diligence, Participate in industry best practice schemes and discussions, Reconsider its communications strategy to offer the most consistent and transparent engagement appropriate for its sector, Co-operate with official remedy processes where it identifies that its products may have been misused. <p>The full details of the NCP's examination are found in the final statement issued in December 2014 by the NCP upon conclusion of the specific instance.</p> |

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| Lead NCP | Brazil |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the Bank Workers Union of São Paulo, Osasco and Region regarding the activities of Banco do Brasil in Brazil. |
| Theme(s) | Employment and industrial relations, Environment |
| Date | 8 Apr 2013 |
| Host country(ies) | Brazil |
| Source | Trade Union |
| Industry sector | Mining and quarrying, Financial and insurance activities |
| Status | Concluded |
| Summary | <p>Final statement issued by the Brazilian NCP concluding the specific instance - 28 January 2015</p> <p>In April 2013, the Brazilian NCP received a request for review from the Bank Workers Union of São Paulo, Osasco and Region alleging that Banco do Brasil had breached the employment and industrial relations, and environment provisions of the Guidelines in Brazil.</p> <p>The allegations against the company concerned the:</p> <ul style="list-style-type: none"> establishment, unilaterally, of a plan of functions for its employees, with new roles and levels of responsibility; use of instruments (Interdito Proibitório) to prevent the presence of the union leaders at the bank; transfer, without prior notice or discussion, of around two thousand employees to the west of the city of São Paulo, on land with contaminated soil <p>On 8 April 2013, the Brazilian NCP accepted this specific instance for further analysis. On 8 May 2013, Banco do Brasil informed the NCP in writing of its position regarding the allegations. After analysing this document, the NCP requested further information from the Bank Workers Union of São Paulo, Osasco and adjacent Region, which was supplied on 16 April 2014.</p> <p>After providing assistance to parties, the NCP was informed by the notifiers that they wished to suspend the specific instance as the parties had independently found a solution to the issues. Therefore on 28 January 2015, the NCP concluded the specific instance and issued a final statement detailing the process and decision.</p> |

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| Lead NCP | Germany |
| Supporting NCP(s) | None |
| Description | Specific instance notified by an interested party regarding the activities of German multinational enterprises operating in Bangladesh. |
| Theme(s) | General policies, Human rights |
| Date | 13 May 2013 |
| Host country(ies) | Bangladesh |
| Source | Other interested parties |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>Final statement issued by the German NCP - November 2014</p> <p>In May 2013, the German NCP received a request for review from an interested party alleging that three German multinational enterprises had breached the general policies and human rights provisions of the Guidelines in Bangladesh. The request is based on their alleged responsibility for the 2012 factory fire in the Tazreen factory.</p> <p>The NCP concluded the initial assessment of the specific instance and accepted it for further consideration regarding two of the companies' due diligence. The NCP offered assistance to those parties. Regarding the third company, the request for review was transferred to the Brazilian NCP for their assessment.</p> <p>After accepting part of the request for consideration, the NCP led mediation talks with the companies and the notifier on 15 January 2014. On 5 May 2014, further mediation talks took place. Both companies co-operated fully in the mediation process and progress was made in regards to supply chain management in Bangladesh.</p> <p>The NCP concluded the specific instance and published the final statement on the NCP's website. Thereafter a joint statement issued by the notifier and one of the companies. The NCP regrets that the notifier has decided not to sign a joint statement with the second company involved.</p> |

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| Lead NCP | United States |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGOs Centre for Environment and Development (CED) and Network to Fight against Hunger (RELUFA) regarding the activities of Herakles Farms' affiliate SG Sustainable Oils Cameroon (SGSOC) in Cameroon. |
| Theme(s) | Combating bribery, bribe solicitation and extortion |
| Date | 13 Jun 2013 |
| Host country(ies) | Cameroon |
| Source | NGO |
| Industry sector | Agriculture, forestry and fishing |
| Status | Concluded |
| Summary | <p>Final statement issued by the US NCP concluding the specific instance - 28 July 2015</p> <p>In June 2013 the US NCP received a request for review from the NGOs Centre for Environment and Development (CED) and Network to Fight against Hunger (RELUFA) alleging that Herakles Farms' affiliate SG Sustainable Oils Cameroon (SGSOC) had breached the combating bribery provisions of the Guidelines in Cameroon. More specifically the NGOs alleged that there had been cases of intimidation and bribery of community leaders, government officials, and local citizens by SGSOC officials to gain land for their operations. The NGOs maintained that the company should address those allegations either by publicly denying them or by investigating them, and requested that SGSOC create policies and procedures to regularly consult with the community members and members of civil society.</p> <p>After undertaking an initial assessment the NCP accepted the specific instance for further consideration and offered its confidential mediation services to assist the parties in seeking a mutually agreeable resolution to the issues raised.</p> <p>The offer of mediation was accepted by all parties. The mediation sessions facilitated by the U.S. Federal Mediation Conciliation Service (FMCS) started in 2014 with separate telephonic sessions culminating in final joint sessions held on June 16-17, 2015. The mediation successfully concluded with a mutually agreed upon resolution signed by all parties (see annex 2 of the NCP's final statement). Given this successful mediated outcome, the US NCP concluded the specific instance.</p> |

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| Lead NCP | Canada |
| Supporting NCP(s) | None |
| Description | Specific instance notified by a group of NGOs on behalf of several affected individuals regarding the activities of a Canadian multinational enterprise operating in Ecuador. |
| Theme(s) | Concepts and principles, Environment, General policies, Human rights |
| Date | 25 Jul 2013 |
| Host country(ies) | Ecuador |
| Source | Individuals, NGO |
| Industry sector | Mining and quarrying |
| Status | Rejected |
| Summary | <p>Read the initial assessment issued by the Canadian NCP concluding the specific instance on 28 July 2014.</p> <p>In July 2013, the Canadian NCP received a request for review from a group of NGOs on behalf of several affected individuals, alleging that a Canadian multinational enterprise had breached the concepts and principles, general policies, human rights, and environment provisions of the Guidelines in Ecuador.</p> <p>The request centres on a copper mine project in Ecuador under development by an Ecuadorian company which is a subsidiary of a Canadian registered company, which is itself wholly owned by a Chinese company. Specifically it is alleged that the company was not observing sections of the Guidelines related to human rights; meaningful consultation, due diligence and local policies, and environmental impacts with regards to the issues: Inadequate stakeholder engagement with indigenous communities; Violation of indigenous rights, property rights and forced displacement; Involvement in state repression of social protests violence; Risks to biodiversity and ecological integrity; and, contributing to poor working conditions.</p> <p>The Canadian NCP engaged with both parties. The issues raised in the Request for Review covered a range of topics that the NCP did not merit further examination or were not sufficiently substantiated. Based on the Canadian NCP's consideration of the materials submitted against the Guidelines and Canadian NCP's Procedures, the NCP's initial assessment relating to the Mirador mining project is that the issue does not merit further examination by the Canadian NCP. The NCP issued the initial assessment on 28 July 2014.</p> |

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| Lead NCP | Belgium |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGO Greenpeace regarding the activities of Jan De Nul NV, a multinational enterprise operating in the Russian Arctic area. |
| Theme(s) | Environment |
| Date | 10 Sep 2013 |
| Host country(ies) | Russian Federation |
| Source | NGO |
| Industry sector | Construction |
| Status | Concluded |
| Summary | <p>Final statement issued by the Belgian NCP concluding the specific instance - 24 November 2014.</p> <p>In September 2013, the Belgian NCP received a request for review by the NGO Greenpeace alleging that Jan De Nul NV, a multinational enterprise, had breached the environment provisions of the Guidelines in the Russian Arctic area with its work related to the Sabetta harbour project.</p> <p>The NCP undertook an initial assessment of the specific instance and concluded that it merited further consideration. In November 2013, the NCP began confidential mediation proceedings with the parties.</p> <p>Although the NCP had underlined that the process was to remain confidential, Greenpeace organised the publishing of an article in a Belgian magazine regarding the project. This breach of confidentiality hampered the NCP's mediation process, although it did continue to hold meetings with the parties.</p> <p>Throughout these series of meetings, the company explained its position and demonstrated that it had undertaken sufficient environmental due diligence in relation to the project in question. The Belgian Export Credit Agency, who had also been contacted by Greenpeace, had commissioned a separate environmental assessment which judged that the company had complied with all concerns regarding the protection of the environment.</p> <p>In concluding the specific instance, the Belgian NCP recommends to the Belgian companies working on this project, that, they communicate in a transparent way with the public about potential hazards to the environment of their projects, while taking into account the confidentiality of certain commercial information and intellectual property rights.</p> <p>In the wake of this specific instance, the NCP will contact the Belgian companies involved in the continuation of the Sabetta project implementation.</p> <p>Further information about the specific instance process is available in the NCP's final statement issued upon conclusion of the specific instance.</p> |

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| Lead NCP | United Kingdom |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGO WWF International regarding the activities of SOCO International PLC operating in the Democratic Republic of Congo. |
| Theme(s) | Environment, General policies, Human rights |
| Date | 7 Oct 2013 |
| Host country(ies) | Democratic Republic of the Congo |
| Source | NGO |
| Industry sector | Mining and quarrying |
| Status | Concluded |
| Summary | <p>Initial assessment issued by the UK NCP - February 2014</p> <p>Final statement issued by the UK NCP concluding the specific instance - 15 July 2014</p> <p>In October 2013, the UK NCP received a request for review from the NGO WWF International alleging that SOCO International PLC had breached the general policies, human rights, and environment provisions of the Guidelines by its oil exploration in an area of the Virunga National Park in the Democratic Republic of the Congo (DRC). More specifically, the NGO alleged that oil exploration was in conflict with international agreements – particularly regarding the Park's status as a World Heritage site – and DRC law and posed risks to the local environment and local communities dependent upon the surrounding ecosystem. SOCO, while denying the allegations, welcomed constructive dialogue with WWF. SOCO stated that its activities were still limited to environmental and social studies and social programmes, including a seismic survey on behalf of the DRC government, rather than actual oil exploration.</p> <p>Upon completing the initial assessment in February 2014, the UK NCP found that SOCO had not met several obligations as outlined by the environmental provisions of the Guidelines. Further, the NCP determined dialogue regarding the level of SOCO's human rights due diligence appropriate to the context of conflict-affected DRC would be worthwhile, as well as the extent to which SOCO informs stakeholders about the results of its environmental impact assessment.</p> <p>Based on these findings, the UK NCP offered its good offices to the parties to assist in mediation and conciliation on the issues. With the NCP's assistance, the parties reached an agreement in June 2014. SOCO agreed with WWF in a joint statement to refrain from any exploratory or other drilling within Virunga National Park for as long as UNESCO and the DRC government view such activities as incompatible with the Park's World Heritage Status. SOCO will complete its current seismic survey and will honour its commitments to local inhabitants to continue its social programmes as long as the company holds rights to the Block V license. After this outcome the NCP concluded the specific instance and issued a final statement.</p> |

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| Lead NCP | France |
| Supporting NCP(s) | None |
| Description | Specific instance notified by three French trade unions regarding the activities of the Eiffage Energie Group operating in France. |
| Theme(s) | Employment and industrial relations, General policies |
| Date | 11 Oct 2013 |
| Host country(ies) | France |
| Source | Trade Union |
| Industry sector | Electricity, gas, steam and air conditioning supply |
| Status | Concluded |
| Summary | <p>In December 2013, the NCP received a request for review from 3 French trade unions alleging that Eiffage Energie Group had breached the general policies, and employment and industrial relations provisions of the Guidelines in France. More specifically the trade union alleged that the company, following a jurisdictional decision on its institutional structure, within the framework for social dialogue, decided to terminate the mandate for staff representation affecting more than 900 offices in the 54 companies within the Group in France.</p> <p>The NCP, while undertaking the initial assessment of the specific instance and, after having obtained additional information from the trade union, along with responses from the company, noted that the original cause of the differences between the parties had disappeared. The NCP consequently concluded the specific instance and issued a public statement (in French) in consultation with the parties.</p> |

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| Lead NCP | Brazil |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the ABC Chemical Workers's trade union (State of São Paulo, Brazil) regarding the activities of the French multinational enterprise Mappel operating in Brazil. |
| Theme(s) | Concepts and principles, Employment and industrial relations, General policies |
| Date | 16 Oct 2013 |
| Host country(ies) | Brazil |
| Source | Trade Union |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>Final statement issued by the Brazilian NCP concluding the specific instance - 7 April 2015</p> <p>In October 2013, the Brazilian NCP received a request for review from the ABC Chemical Workers's trade union (State of São Paulo, Brazil) alleging that the French multinational enterprise Mappel had breached the concepts and principles, general policies, and employment and industrial relations provisions of the Guidelines in Brazil.</p> <p>After an initial assessment, the specific instance was accepted by the NCP for further consideration and was analysed by their rapporteur. When the rapporteur requested a response to the allegations by the company, the company replied and requested that the specific instance be terminated as the issues raised had already been decided in court. The rapporteur verified this fact and, on 7 April 2015, concluded the specific instance based on the fact, according to the Brazilian NCP's procedures (NCP Resolution 01/2012), a court ruling takes precedence over any involvement of the NCP. The NCP duly concluded the specific instance and issued a final statement.</p> |

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| Lead NCP | Denmark |
| Supporting NCP(s) | None |
| Description | Specific instance notified by 3F regarding the activities of Greenpeas Enterprise ApS, a Danish gardening company operating in Denmark and Portugal. |
| Theme(s) | Human rights |
| Date | 22 Oct 2013 |
| Host country(ies) | Denmark, Portugal |
| Source | Trade Union |
| Industry sector | Agriculture, forestry and fishing |
| Status | Concluded |
| Summary | <p>Initial assessment issued by the Danish NCP - 21 January 2014</p> <p>Final statement issued by the Danish NCP concluding the specific instance - 14 August 2014</p> <p>In October 2013, the Danish NCP received a request for review by a trade union alleging that a Danish company had breached the industrial and employment relations, and human rights provisions of the Guidelines in Denmark and Portugal. Specifically it was alleged that the company undercut the standard of wages and working conditions in the host countries as well as discriminated against employees based on their nationalities and withheld some employee passports.</p> <p>The NCP undertook an initial assessment of the specific instance and, in November 2013, concluded that it merited further consideration. The NCP contacted the parties involved and encouraged them to engage in dialogue to reach a mutual solution and shortly thereafter, the trade union contacted the NCP to withdraw the specific instance, saying that an agreement had been arrived at during a joint meeting. The NCP, however, didn't feel that the terms of the agreement addressed all the allegations, specifically the gross alleged violations of Guidelines, particularly the withholding of employee passports. The NCP therefore decided to continue its investigations and contacted the parties asking for further information.</p> <p>At the end of the NCP's independent investigation it found that the alleged gross violations of the Guidelines could not be substantiated. The details of its investigation and conclusions are laid out in its final statement issued at the conclusion of the specific instance. The NCP also issued a general statement on the retention of employees' identification papers.</p> |

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| Lead NCP | United Kingdom |
| Supporting NCP(s) | None |
| Description | Specific instance notified by an NGO regarding the activities of six companies operating in the United Kingdom. |
| Theme(s) | General policies |
| Date | 4 Nov 2013 |
| Host country(ies) | United Kingdom |
| Source | NGO |
| Industry sector | Information and communication |
| Status | Rejected |
| Summary | <p>In November 2013, the UK NCP received a request for review from an NGO alleging that six companies, who were either UK based or US multinationals with UK operations, had breached the general policies provisions of the Guidelines in the United Kingdom.</p> <p>More specifically the NGO alleges that the companies had collaborated with UK Government security services in facilitating access to undersea fibre optic cables that the companies own, operate or control, and by this collaboration had contributed to an infringement on the human right to privacy. The NGO was also pursuing proceedings in the Investigatory Powers Tribunal (IPT) against the UK government services concerned.</p> <p>The UK NCP undertook an initial assessment during the course of which it contacted the companies and received responses to the allegations from each one. These responses are listed in the NCP's initial assessment. After finalising the initial assessment the UK NCP concluded that the specific instance did not merit further consideration as the NGO was not able to substantiate the allegations.</p> |

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| Lead NCP | United Kingdom |
| Supporting NCP(s) | Israel |
| Description | Specific instance notified by Lawyers for Palestinian Human Rights (LPHR) regarding the activities of G4S operating in Israel and the Palestinian Territories. |
| Theme(s) | General policies, Human rights |
| Date | 27 Nov 2013 |
| Host country(ies) | Israel, Palestinian Authority |
| Source | NGO |
| Industry sector | Other service activities |
| Status | Concluded |
| Summary | <p>Initial assessment issued by the UK NCP - 22 May 2014</p> <p>Final statement issued by the UK NCP - March 2015</p> <p>In November 2013, the UK NCP received a request for review from Lawyers for Palestinian Human Rights (LPHR) alleging that G4S, a security company, was breaching the general policies and human rights provisions of the Guidelines in the Israel and the Palestinian Territories. LPHR claims that certain of G4S' equipment, facilities, and operations are in breach of or associated with breaches of international human rights laws and principles.</p> <p>The NCP undertook an initial assessment of the specific instance and concluded that it merited further consideration as outlined in their initial assessment statement issued May 2014.</p> <p>The NCP therefore offered the parties mediation. Mediation is voluntary and a specific instance only proceeds to mediation where both parties accept the offer. In this case, LPHR accepted the offer of mediation, but G4S declined, explaining that it considered that legally binding obligations of contractual confidentiality would limit its ability to discuss the issues, making mediation impracticable, and also because G4S did not accept that the LPHR had a mandate to negotiate and resolve the issues.</p> <p>The NCP however undertook its own investigation of the alleged breaches, based on information it could gather itself. The details of this investigation are given in the NCP's final statement. Following this review the NCP concluded the specific instance in March 2015 and made a series of recommendations to the company:</p> <p>That G4S considers how it may be able to work with business partners in Israel to support action to address adverse impacts referred to in the complaint;</p> <p>That G4S communicates to stakeholders and business partners any actions it is taking in regard to the issues raised in the complaint;</p> <p>That G4S implements across its operations a contract approvals process that includes assessment of human rights risks and application of mitigations.</p> |

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| Lead NCP | United Kingdom |
| Supporting NCP(s) | Switzerland |
| Description | Specific instance notified by an UK NGO and a US labour union regarding the activities of a multinational enterprise operating in the United Kingdom. |
| Theme(s) | Disclosure |
| Date | 27 Nov 2013 |
| Host country(ies) | United Kingdom |
| Source | NGO, Trade Union |
| Industry sector | Other service activities |
| Status | Rejected |
| Summary | <p>In November 2013, the UK NCP received a request for review from a UK NGO and a US labour union alleging that a multinational enterprise was breaching the disclosure provisions of the Guidelines in the United Kingdom.</p> <p>More specifically the notifiers alleged that:</p> <p>the company's corporate tax arrangements unfairly reduced the tax it has paid in the UK, and that this resulted in adverse impacts on UK citizens;</p> <p>the company has failed to make sufficient disclosures about these transactions.</p> <p>The notifiers therefore wanted the company to publicly disclose and explain the tax implications of the relevant transactions, and to institute a company policy that prohibits similar transactions in future.</p> <p>The company accepted an invitation from the UK NCP to respond and said that the allegations were baseless. The company stated that some of the transactions referred to did not involve the company and so are not for it to disclose and that the transactions that did involve the company were disclosed to its directors and shareholders before being undertaken, and subsequently published and audited in its financial statements. The company said that that these transactions were on arm's length terms, and that it complied fully with all applicable tax laws and regulations of countries where it operates and has no inquiries or investigations pending by any tax authority into the matters raised by the notifiers.</p> <p>The NCP undertook an initial assessment of the specific instance and concluded that the allegations did merit further consideration but not by the UK NCP.</p> |

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| Lead NCP | United States |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF) regarding the activities of Mondelez International operating in Pakistan. |
| Theme(s) | Employment and industrial relations |
| Date | 18 Dec 2013 |
| Host country(ies) | Pakistan |
| Source | Trade Union |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>Final statement issued by the US NCP concluding the specific instance - 6 June 2014</p> <p>In March 2014 the US NCP received a request for review from the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Works' Associations (IUF) alleging that Mondelez International had breached the concepts and principles, general policies, and employment and industrial relations provisions of the Guidelines at a Cadbury factory in Pakistan. Specifically it was alleged that the decline in number of direct employment contracts (only 49 out of a total workforce of nearly 700 at the time of the request), constituted an abuse of worker rights.</p> <p>Mondelez rejected these allegations, arguing that the IUF was inappropriately using the NCP process and interfering in legitimate local bargaining. It pointed to the successful negotiations that recently occurred between the local union and company representatives as proof of a pre-existing and robust national legal framework. In a subsequent update, Mondelez notified the NCP that a collective agreement, using the collective bargaining framework, was reached on 8 May 2014.</p> <p>On the basis of this information and other evidence, the NCP determined that there to be no compelling evidence that Mondelez is not in compliance with Pakistani law. It did find, however, that the issue of causal/contract workers may merit further examination and may not be consistent with the spirit of the employment and industrial relations provisions of the Guidelines.</p> <p>The NCP has deferred its offer of good offices, however it remains open to revisiting issues related to the collective bargaining agreement between Cadbury and Mondelez and full time employees if both parties are willing to engage. In its final statement, the NCP also recommended that IUF engage directly with the agencies of the contract workers as a more expedient method of addressing the alleged inconsistencies in fair labour practice.</p> |

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| Lead NCP | Canada |
| Supporting NCP(s) | None |
| Description | Specific instance notified by an NGO and individuals regarding the activities of a Canadian multinational enterprise operating in China's Tibet Autonomous Region. |
| Theme(s) | Concepts and principles, Disclosure, Employment and industrial relations, Environment, General policies, Human rights |
| Date | 28 Jan 2014 |
| Host country(ies) | People's Republic of China |
| Source | Individuals, NGO |
| Industry sector | Mining and quarrying |
| Status | Concluded |
| Summary | <p>In January 2014, the Canadian NCP received a request for review from an NGO and individuals alleging that a Canadian multinational enterprise had breached the concepts and principles, general policies, disclosure, human rights, employment and industrial relations, and environment provisions of the Guidelines in China's Tibet Autonomous Region. More specifically it is alleged that the company had: not adequately conducted environmental due diligence which has led to environmental degradation and loss of life, and other health and safety issues; not respected human rights through discriminatory hiring practices, forced evictions, expropriation of land, violations of freedom of expression and information, and the inability to obtain remedy, and; failed to disclose accurate information on the environmental, health and safety risks to local communities.</p> <p>The NCP issued its Initial Assessment to the Parties on August 29th, 2014, offering its good offices. The notifier accepted the offer, however the Company did not respond by the first deadline of November 28th, 2014. On November 14th, 2014, Canada launched its enhanced CSR Strategy for the extractive sector abroad "Doing Business the Canadian Way: A Strategy to Advance Corporate Social Responsibility in Canada's Extractive Sector Abroad", which included provisions of withdrawal of Government of Canada trade advocacy services should companies refuse to engage in the NCP dialogue facilitation process. As this specific instance was ongoing at the time of the launch, the NCP extended the deadline for accepting its good offices to allow the company to reconsider. As no response was received for this second invitation, the NCP released its final statement on April 8, 2015, assessing that the Company had not prima facie demonstrated its alignment with the Guidelines, and including in the statement six recommendations designed to promote dialogue, disclosure and other actions for implementing the Guidelines. Should the company wish to be able to access future Government of Canada trade advocacy support, it will need to submit a Request for Review to the NCP, or show the Government of Canada it has engaged in good-faith dialogue with the notifier. The NCP is of the view that dialogue between the company, the notifier, and the individuals the notifier represents could assist the Parties in moving towards resolution of the issues raised in the Request for Review.</p> |

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| Lead NCP | Germany |
| Supporting NCP(s) | Korea, Republic of (South) |
| Description | Specific instance notified by the trade union IG Metall regarding the activities of HMETC, a company associated with Hyundai Motor Company, a Korean automobile manufacturer operating in Germany. |
| Theme(s) | Employment and industrial relations |
| Date | 25 Mar 2014 |
| Host country(ies) | Germany |
| Source | Trade Union |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>Final statement issued by the German NCP concluding the specific instance - 5 March 2015</p> <p>In a letter dated 25 March 2014 and received by the German NCP on 8 April 2014, a trade union requested the NCP to review a Korean company's alleged breach of the employment and industrial relations provisions of the Guidelines in Germany. These allegations specifically referred to violations of employees' rights to engage freely in works council and trade union activity.</p> <p>The NCP conducted an initial assessment and, on 8 July 2014, concluded that the request merited further consideration. The Korean NCP was kept informed during and after the process.</p> <p>Following the initial assess phase, the German NCP offered the parties its assistance in resolving some points related to the question of the violation of trade union rights. As part of this process, the NCP offered the parties the chance to hold joint mediation meetings. This was accepted by the trade union. However, in a letter dated 20 November 2014 the company stated that it would not accept the NCP's offer. The company believed that the trade union's request was part of an international campaign, and in their opinion it had not been made in good faith. Furthermore, the company believe that the complaint was unfounded and the Guidelines had not been violated.</p> <p>The NCP greatly regrets the rejection of its offer of mediation by the company because, in its view, the offer of mediation talks contributes towards improving the relations between employee representatives, active trade union members and the management. Mediation would have given the parties a foundation for constructive and trusting co-operation without the need for further court cases.</p> <p>The NCP suggests that the company makes efforts to clear the matters up internally and that account should be taken of the Guidelines in this process. Full details of the NCP's decision and process are given in their final statement, issued upon conclusion of the specific instance.</p> |

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| Lead NCP | France |
| Supporting NCP(s) | None |
| Description | Specific instance notified by three NGOs regarding the activities of a French multinational enterprise operating in Gabon. |
| Theme(s) | Competition |
| Date | 14 Apr 2014 |
| Host country(ies) | Gabon |
| Source | NGO |
| Industry sector | Transportation and storage |
| Status | Rejected |
| Summary | <p>Final statement issued by the French NCP – 18 July 2014</p> <p>In April 2014, the French NCP received a request for review from three NGOs alleging that a French multinational enterprise had breached the competition provisions of the Guidelines in Gabon in the transport sector.</p> <p>The NCP undertook an initial assessment of the specific instance and in May 2014 informed the NGOs of the formal inadmissibility of the request and suggested that they reformulate it. The NCP did not receive any further information from the NGOs and duly concluded the specific instance and issued a final statement (in French) in July 2014.</p> |

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| Lead NCP | United States |
| Supporting NCP(s) | France, Japan, Netherlands |
| Description | Specific instance notified by the trade unions UAW/IndustriALL regarding the activities of Nissan in the United States. |
| Theme(s) | Employment and industrial relations, Human rights |
| Date | 28 Apr 2014 |
| Host country(ies) | United States |
| Source | Trade Union |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>Final statement issued by the US NCP concluding the specific instance - 30 January 2015</p> <p>In April 2014 the US NCP received a request for review from the trade unions UAW/IndustriALL alleging that Nissan had breached the employment and industrial relations, and human rights provisions of the Guidelines in the United States. Specifically the trade union alleged that the intimidation and aggressive tactics of management interfered with employees' trade union rights, and that Nissan had failed to respect international standards on freedom of association with respect to its US workers.</p> <p>The NCP undertook an initial assessment of the specific instance and concluded that it merited further consideration. The NCP therefore offered its good offices to facilitate a discussion between the parties to seek a mutually agreed upon resolution. The NCP offers the services of objective and neutral mediators employed by the U.S. Federal Mediation and Conciliation Service (FMCS), however Nissan was not willing to participate.</p> <p>Given the non-willingness by the company, the NCP concluded the specific instance and made a number of recommendations:</p> <p><i>Conduct Corporate-Wide Labour Review:</i> The NCP recommends that Nissan North America, Inc., in co-operation and with guidance from Nissan corporate headquarters in Japan, conduct corporate-wide labour rights review processes, consistent with the recommendation of the Guidelines, in particular the chapters cited in this specific instance.</p> <p><i>Mediation:</i> The NCP recommends that Nissan evaluate the allegations raised by the trade unions and consider how to address them, including the opportunity to engage informally or formally with the trade unions. The NCP recommends Nissan consider mediating, either through its own internal processes or through third-party mechanisms, the issues raised by UAW/IndustriALL to seek a resolution to the issues raised.</p> <p><i>Going Forward:</i> The NCP notes that this specific instance has been shared with other foreign NCPs who have been consulted throughout this process and that these NCPs remain available to offer assistance to the parties. The NCP remains available to assist the parties in facilitating dialogue in the future on these matters, if the parties later agree to pursue mediation or another form of alternative dispute resolution.</p> <p>More fully detailed information is available in the NCP final statement issued upon conclusion of the specific instance.</p> |

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| Lead NCP | France |
| Supporting NCP(s) | Finland |
| Description | Specific instance notified by a local authority (MAIRE), a local association set up to save the paper mill, a regional institution (Union régionale des SCOP) and several former workers at the paper mill regarding the activities of the Finnish Group UPM KYMMENE operating in France. |
| Theme(s) | Employment and industrial relations |
| Date | 30 Apr 2014 |
| Host country(ies) | France |
| Source | Individuals, Other interested parties, NGO |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>In April 2014 the French NCP received a request for review by the Mayor of Docelles, France, a Société coopérative et participative (SCOP) for the recovery of the paper mill of Docelles, a regional institution (l'Union régionale des SCOP), as well as the French association "Sauver La Papeterie de Docelles", and a group of former employees at the paper mill alleging that the Finnish Group UPM KYMMENE had breached the employment and industrial relations provisions of the Guidelines by closing its paper mill in Docelles, France.</p> <p>The Finnish NCP was alerted to the request and kept informed during the specific instance process.</p> <p>The French NCP undertook an initial assessment and concluded that the request merited further consideration. It offered to provide a platform for dialogue on the parties to negotiate the future of the site while taking account the parallel proceedings that exist before the French courts. UPM accepted this offer.</p> <p>The NCP interviewed the parties in September 2014 and consulted with experts and then offered to organise a joint meeting between the parties to examine the feasibility of mediation. This offer was rejected by France SAS and UPM (the parent company). The NCP continued to review the specific instance and in December 2014, it informed the parties in confidence about its preliminary analysis and this analysis was transferred to the Finnish NCP and UPM in Finland in January 2015.</p> <p>During its meeting of February 2015, the NCP decided conclude the specific instance, noting that UPM had not acted in conformity with the provisions of the Guidelines and stating that the persistent dispute between the parties rendered it impossible to establish any form of mediation. In accordance with the NCP's rules, it approved a draft communiqué which was sent to the parties and the Finnish NCP. The final version (in French) of this communiqué was published on their website in March 2015.</p> |

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| Lead NCP | Denmark |
| Supporting NCP(s) | None |
| Description | Specific instance notified by a Danish NGO regarding the activities of a multinational enterprise operating in Denmark. |
| Theme(s) | Employment and industrial relations, Environment |
| Date | 30 Apr 2014 |
| Host country(ies) | Denmark |
| Source | NGO |
| Industry sector | Manufacturing |
| Status | Rejected |
| Summary | <p>Initial assessment issued by the Danish NCP concluding the specific instance - 16 June 2014</p> <p>In April 2014 the Danish NCP received a request for review from a Danish NGO alleging that a multinational enterprise had breached the environment, the employment and industrial relations provisions of the Guidelines in Denmark by creating pollution and not adequately cleaning its traces, and by selling hazardous products abroad. Part of this request related to the historical activities of the company and some to its current activities. The request also included a preliminary report about the company's alleged breaches and a final report was sent to the NCP in June 2014.</p> <p>The NCP undertook an initial assessment of the specific instance but concluded that it did not merit further consideration. This decision was based on the information available to the NCP. Regarding the historical pollution, the NCP's internal procedures state that the NCP can only consider complaints brought within five years after the disputed act or omission has ceased, (cf. the Act on Danish NCP, section 6.), and the NCP therefore could not consider the allegations regarding historical pollution which occurred outside this time limit. Regarding the additional allegations, the Danish NCP assessed that they were not supported by reasonable documentation. The NCP issued their initial assessment detailing the decision and concluded the specific instance.</p> |

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| Lead NCP | Chile |
| Supporting NCP(s) | None |
| Description | Specific instance notified by a business regarding the activities of an electrical company in Chile. |
| Theme(s) | Environment |
| Date | 20 May 2014 |
| Host country(ies) | Chile |
| Source | Business |
| Industry sector | Electricity, gas, steam and air conditioning supply |
| Status | Rejected |
| Summary | <p>In May 2014, the Chilean NCP received a request for review from a family business alleging that an electrical company had breached the environment provisions of the Guidelines in the expropriation proceeding for the construction of high voltage electrical towers on its terrain, in Chile.</p> <p>The NCP undertook an initial assessment of the specific instance by focusing on whether the questions raised by the family business merited an in-depth examination. To help this assessment, the NCP requested inputs on the matter raised from one of its focal points in the Chilean Ministry of Environment. After reviewing and studying the information submitted by the family business as well as that provided by the multinational enterprise responsible for the construction of the antennas and overhead power lines, the Chilean NCP has concluded that the issues raised do not merit further examination.</p> |

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| Lead NCP | Chile |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the Chilean Trade Union Confederation and the Starbucks Coffee Union in Chile regarding the activities of Starbucks operating in Chile. |
| Theme(s) | Employment and industrial relations, Human rights |
| Date | 29 May 2014 |
| Host country(ies) | Chile |
| Source | Trade Union |
| Industry sector | Accommodation and food service |
| Status | Concluded |
| Summary | <p>In May 2014, the Chilean NCP received a request for review from two trade unions alleging that Starbucks Coffee company had breached the employment and industrial relations, and human rights provisions of the Guidelines through anti-union policies. The trade unions alleged that these strategies were undertaken to reduce the company's union membership.</p> <p>The NCP undertook an initial assessment by focusing on whether the questions rose by the applicant merited in-depth examination. The NCP met with both parties during the initial assessment process and issued an initial statement regarding the outcomes of the process.</p> <p>To help resolve the issues, the NCP co-ordinated a mediation process between the parties with a defined a timeframe.</p> <p>After holding joint and individual meetings with the interested parties the NCP found that progress could not be made due to a lack of good faith on the part of Starbucks Coffee. The NCP therefore concluded the specific instance in May 2015 and issued a final statement (in Spanish - English translation pending).</p> |

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| Lead NCP | Chile |
| Supporting NCP(s) | Colombia, Peru |
| Description | Specific instance notified by the trade unions UNI Global Union and UNI Americas on behalf of its affiliate, Union of Workers of the Ripley Group SA Peru (SUTRAGRISA) regarding the activities of the Ripley operating in Peru. |
| Theme(s) | Employment and industrial relations, Human rights |
| Date | 3 Jun 2014 |
| Host country(ies) | Peru |
| Source | Trade Union |
| Industry sector | Wholesale and retail trade |
| Status | Concluded |
| Summary | <p>In June 2014, the Chilean NCP received a request for review from the trade unions UNI Global Union and UNI Americas on behalf of its affiliate, Union of Workers of the Ripley Group SA Peru (SUTRAGRISA), alleging that Ripley Peru, retail enterprise in Peru, subsidiary of the Chilean retail company Ripley Corp. S.A., had breached the employment and industrial relations, and human rights provisions of the Guidelines with their operations in Peru.</p> <p>In addition to requesting intervention by the Chilean NCP, the trade unions had also approached the Colombian and the Peruvian NCPs.</p> <p>The Chilean NCP offered its good offices to the parties, but Ripley Corp. S.A. declined the offer due to ongoing legal proceedings and collective negotiations with the corresponding union in Peru.</p> <p>The Chilean NCP requested additional information from the Peruvian NCP regarding the alleged ongoing legal proceedings and collective negotiations. This information was received and the Chilean NCP therefore concluded the specific instance and issued a final statement (in Spanish - English translation pending).</p> |

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| Lead NCP | United Kingdom |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGO Americans for Democracy and Human Rights in Bahrain regarding the activities of four companies, Formula One World Championship Limited (FOWC), Formula One Management Limited (FOM), Delta 3 (UK) Limited, and Beta D3 Limited in Bahrain. |
| Theme(s) | General policies, Human rights |
| Date | 11 Jun 2014 |
| Host country(ies) | Bahrain |
| Source | NGO |
| Industry sector | Arts, entertainment and recreation |
| Status | Concluded |
| Summary | <p>Final statement issued by the UK NCP - May 2015</p> <p>Initial assessment issued by the UK NCP - 22 October 2014</p> <p>In June 2014 the UK NCP received a request for review from the NGO Americans for Democracy and Human Rights in Bahrain alleging that four related companies: Formula One World Championship Limited (FOWC), Formula One Management Limited (FOM), Delta 3 (UK) Limited, and Beta D3 Limited had breached the general principles, and human rights provisions of the Guidelines in Bahrain in relation to their management of the Formula One motor racing Grand Prix.</p> <p>More specifically the NGO alleged that holding Grand Prix events in Bahrain in 2012, 2013 and 2014 has helped to present an international image of Bahrain which is at odds with the reality of ongoing human rights abuses. It also alleges that the events have given rise to new human rights abuses, because of the response of security forces to protests associated with the events.</p> <p>The NCP undertook an initial assessment and concluded that the specific instance merited further examination where the issues related to the companies' obligations to do appropriate due diligence, and stakeholder engagement. These issues are accepted in relation to Formula One World Championship Limited and Formula One Management Limited. The NCP will not pursue these issues in relation to Delta 3 UK Limited and Beta D3 Limited because these are not operational companies. The NCPs initial assessment gives full details about its decision.</p> <p>Both parties accepted the offer of mediation by the NCP, and two meetings were held in January and April 2015. As a result of these meetings the parties informed the NCP that they had reached an agreement (See Annex A to the NCP's final statement). After being informed of this positive outcome, the NCP duly concluded the specific instance.</p> |

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| Lead NCP | Denmark |
| Supporting NCP(s) | None |
| Description | Specific instance notified by a Danish NGO regarding the activities of a multinational enterprise producing in Denmark and selling products in developing countries. |
| Theme(s) | Human rights |
| Date | 9 Jul 2014 |
| Host country(ies) | Denmark |
| Source | NGO |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>In July 2014 the Danish NCP received a request for review by a Danish NGO alleging that a Danish company had breached the human rights provisions of the Guidelines by selling milk powder in developing countries including the Ivory Coast, Nigeria, and Bangladesh.</p> <p>The NCP undertook an initial assessment of the specific instance and concluded that it merited further consideration and offered the parties one further opportunity to resolve the matter themselves. As the Danish company was planning to increase its activities in certain African countries, the NGO pinpointed certain negative consequences of exporting subsidised European powdered milk to developing countries, where local dairy sectors primarily consist of small producers and peasant farmers. The NGO expressed in the request a wish for greater awareness by the company of the need to exercise due diligence in order to identify and prevent potential negative impacts.</p> <p>In December 2014, after the NCP had called on the parties to resolve the matter themselves, the company and the NGO entered into an agreement ensuring the company to among others to exercise due diligence in connection with the sale of powdered milk in developing countries, so as to avoid unintended negative impacts and to comply with the Guidelines. The NCP therefore concluded the specific instance. The final statement can be found on the NCP's website along with the statement issued by the company in question.</p> |

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| Lead NCP | Turkey |
| Supporting NCP(s) | Germany |
| Description | Specific instance notified by individuals regarding the activities of a German company operating in Turkey. |
| Theme(s) | Environment |
| Date | 4 Aug 2014 |
| Host country(ies) | Turkey |
| Source | Individuals |
| Industry sector | Electricity, gas, steam and air conditioning supply |
| Status | Rejected |
| Summary | <p>In August 2014, the German NCP received a request for review from individuals alleging that a German company had breached the environment provisions of the Guidelines with their supplying of turbines to wind energy projects in Cesme/Alacati in Turkey. In harmony with the Procedural Guidance of the Guidelines, the Turkish NCP looks the lead in examining this specific instance.</p> <p>The Turkish NCP undertook an initial assessment by focusing on whether the questions raised by the notifiers merited in-depth examination. The NCP discovered that the allegations were made against a domestic company which does not qualify as a multinational enterprise. On the basis of these criteria, the NCP concluded that the request for review was beyond the scope for consideration.</p> <p>The NGO also raised concerns which the NCP concluded were related to corporate social responsibility practices of the company at a global scale. The company produces turbines in Germany and provides this equipment to clients in several other countries in a similar business relationship. After consulting the German NCP, the Turkish NCP informed the notifiers about its decision not to accept their request for review and advised that their allegations could be raised with the German NCP with more substantiated material. The German NCP is currently examining the due diligence issues raised by the notifiers.</p> |

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| Lead NCP | Germany |
| Supporting NCP(s) | None |
| Description | Specific instance notified by an individual regarding the activities of a German multinational enterprise operating in Germany. |
| Theme(s) | General policies |
| Date | 5 Aug 2014 |
| Host country(ies) | Germany |
| Source | Individuals |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>Final statement issued by the German NCP concluding the specific instance - 21 October 2014</p> <p>In August 2014 the German NCP received a request for review from a German individual who alleged that a German company had breached the general principles provisions of the Guidelines in Germany. More specifically the individual alleged that the company had breached the provision which stipulates that no discriminatory or disciplinary action shall be taken against employees who in good faith report to the management.</p> <p>According to the Guideline's Procedural Guidance, the NCP began an initial assessment as to whether the issues raised in the request warranted a more detailed examination. However, in a parallel labour court proceeding the individual and the company agreed on a court settlement. The individual thereupon withdrew their request that the NCP review the issues. The NCP therefore duly concluded the specific instance and issued a final statement to this effect.</p> |

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| Lead NCP | United Kingdom |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGO Reprieve regarding the activities of British Telecommunications PLC in the United Kingdom. |
| Theme(s) | General policies, Human rights |
| Date | 19 Aug 2014 |
| Host country(ies) | United Kingdom |
| Source | NGO |
| Industry sector | Information and communication |
| Status | Rejected |
| Summary | <p>In August 2014 the UK NCP received a request for review from the NGO Reprieve alleging that British Telecommunications PLC (BT) had breached the general policies, and human rights provisions of the Guidelines because it permits UK and US intelligence agencies to intercept its customers' communications, from which these agencies derive intelligence that informs these military operations, thus linking it to the human rights impacts of US military operations in Yemen.</p> <p>BT accepted an invitation from the UK NCP to respond although it did not accept the allegations, and noted that it would in any case be precluded by UK law from disclosing any details relating to an interception request.</p> <p>The NCP undertook an initial assessment and concluded that the specific instance did not merit further consideration. The reasons for its decision are outlined in detail in its initial assessment, issued in January 2015.</p> |

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| Lead NCP | United Kingdom |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGO Reprieve regarding the activities of British Telecommunications PLC in the United Kingdom. |
| Theme(s) | General policies, Human rights |
| Date | 19 Aug 2014 |
| Host country(ies) | United Kingdom |
| Source | NGO |
| Industry sector | Information and communication |
| Status | Rejected |
| Summary | <p>In August 2014 the UK NCP received a request for review from the NGO Reprieve alleging that British Telecommunications PLC (BT) had breached the general policies, and human rights provisions of the Guidelines because the company provides a communications cable between United States military facilities in the UK and Djibouti, thus linking it to human rights impacts of US military operations in Yemen. This request follows on from a previous specific instance submitted by Reprieve in 2013 but rejected by the UK NCP.</p> <p>In this new request, Reprieve stated that they could supply additional information meaning that the reasons for the rejection of the initial specific instance no longer applied, and asked the NCP to accept the issues for further examination. According to the NCP's procedures, updated from November 2013, a new specific instance may be raised about issues previously rejected if new information means that the reasons for rejection no longer apply. Furthermore BT accepted an invitation from the UK NCP to respond to the new allegations although it denied the allegations, as before, and did not accept that the NGOs had identified any new information.</p> <p>The NCP undertook an initial assessment based on the new information provided by the NGO but concluded that the specific instance did not merit further consideration. The reasons for its decision are outlined in detail in its initial assessment, issued in January 2015.</p> |

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| Lead NCP | Norway |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGO FIVAS, the Norwegian Association for International Water Studies, regarding the activities of Norpower, a subsidiary of Norconsult AS, operating in Malaysia. |
| Theme(s) | Disclosure, General policies, Human rights |
| Date | 22 Aug 2014 |
| Host country(ies) | Malaysia |
| Source | NGO |
| Industry sector | Construction |
| Status | Concluded |
| Summary | <p>Final statement issued by the Norwegian NCP concluding the specific instance - 23 June 2015.</p> <p>Joint statement issued by FIVAS and Norconsult - 2 June 2015</p> <p>Initial assessment issued by the Norwegian NCP - January 2015</p> <p>In August 2014 the Norwegian NCP received a request for review by FIVAS, the Norwegian Association for International Water Studies, on its own behalf and in consultation with the NGO coalition "Save Sarawak Rivers", alleging that Norpower, a subsidiary of Norconsult AS had breached the general policies, disclosure and human rights provisions of the Guidelines in the Malaysian State of Sarawak.</p> <p>More specifically, FIVAS alleged that Norconsult had:</p> <p>shown a lack of transparency about Norconsult AS's involvement in two hydropower development projects (Murum and Baram) in Malaysia;</p> <p>failed to carry out adequate risk-based, human rights due diligence assessments and failed to provide adequate information about them;</p> <p>contributed to the negative impacts that have occurred due to NorPower's contracting business partner, and</p> <p>failed to adequately address these adverse impacts.</p> <p>The NCP undertook an initial assessment and concluded that the specific instance merited further consideration. It therefore drew up a timeline for mediation which was accepted by both parties.</p> <p>The parties met in May and June 2015, and these mediation meetings resulted in a joint statement issued by the parties. Given the positive resolution of the issues, the NCP concluded the specific instance and issued a final statement in June 2015. The Norwegian NCP recommends that the parties continue the dialogue established during the mediation process, especially if issues arise related to implementation of the joint statement. The NCP will invite both parties to a follow-up meeting once a decision has been made with regards to one of the central issues of the case; the construction of the Baram-dam, to give an update on the implementation of the joint statement.</p> |

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|--------------------------|--|
| Lead NCP | United Kingdom |
| Supporting NCP(s) | None |
| Description | Specific instance notified by an NGO regarding the activities of a US subsidiary of a UK-based company operating in Guantanamo Bay, Cuba. |
| Theme(s) | Human rights |
| Date | 27 Aug 2014 |
| Host country(ies) | None |
| Source | NGO |
| Industry sector | Other service activities |
| Status | Rejected |
| Summary | <p>In August 2014 the UK NCP received a request for review from an NGO alleging that a US subsidiary of a UK-based company in the security sector had breached the human rights provisions of the Guidelines in Cuba. More specifically the NGO alleged that the company had contracted with the US Navy to provide support services to the Guantanamo Bay Naval Base in Cuba and that taking the contract is inconsistent with human rights obligations under the Guidelines, as well as with the parent company's own human rights policy.</p> <p>The NGO wanted the company to cease to provide services under the contract, and also to provide the NGO with details of the contract, details of its policies, and due diligence relating to this and any similar contract supporting US counter-terror operations, including any measures to mitigate adverse human rights impacts.</p> <p>The NCP undertook an initial assessment, during the course of which it contacted the company who accepted the invitation to respond to the allegations. The company denied the allegations and noted that its influence over the subsidiary's decisions was limited by US Government foreign ownership and control procedures applying to companies that may access classified information or undertake classified tasks. The company also noted that it was divesting itself of the subsidiary, and has subsequently confirmed that the subsidiary has been divested.</p> <p>After conducting its initial assessment the UK NCP concluded that the specific instance did not merit further consideration by the UK NCP and recommended that the NGO submit their request to the US NCP. This conclusion does not mean that the UK NCP is making any finding about whether the issues raised are material and substantiated.</p> |

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| Lead NCP | Australia |
| Supporting NCP(s) | UK |
| Description | Specific instance notified by an NGO regarding the activities of a UK headquartered company operating in Papua New Guinea. |
| Theme(s) | Human rights |
| Date | 23 Sep 2014 |
| Host country(ies) | Papua New Guinea |
| Source | NGO |
| Industry sector | Public administration and defence |
| Status | Rejected |
| Summary | <p>In September 2014 the Australian NCP received a request for review from an NGO alleging that an UK-based security company had breached the human rights provisions of the Guidelines on Manus Island, Papua New Guinea.</p> <p>The NCP has undertaken an initial assessment of the specific instance and concluded that it is not appropriate for the NCP to analyse the NGOs request further. These reasons are outlined in the NCP's final statement.</p> |

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|--------------------------|---|
| Lead NCP | France |
| Supporting NCP(s) | United Kingdom, United States |
| Description | Specific instance notified by an individual, M. Teumagnie, regarding the French Development Agency's financing activities of an electricity provider in Cameroon. |
| Theme(s) | General policies, Human rights |
| Date | 9 Sep 2014 |
| Host country(ies) | Cameroon |
| Source | Individuals |
| Industry sector | Financial and insurance activities |
| Status | Concluded |
| Summary | <p>In September 2014 the French NCP received a request for review from a Cameroonian individual alleging that the French Development Agency (AFD) had breached the general provisions of the Guidelines through its financing investments in the company AES Sonel (now named ENEO), in Cameroon.</p> <p>The French NCP acknowledged receipt request in October 2014 however it found that the admissibility was tenuous for several reasons:</p> <p>The request was focused on a labour dispute between the individual and his Cameroonian employer, a dispute which does not fall directly under the mandate of French NCP nor of the AFD;</p> <p>The allegations of violations of human rights and bad governance on the part of AES Sonel were not sufficiently detailed;</p> <p>There was no material concerning the relations between the AFD Group and AES Sonel.</p> <p>However, the NCP decided to examine the AFD Group due diligence around two issues. Firstly, AFD Group's due diligence toward AES Sonel in order to identify social risks and promote good governance. Secondly, AFD's due diligence measures to ensure that its partner (AES Sonel – ENEO) respected judicial decision in order to obtain a sustainable treatment of this peculiar labour dispute.</p> <p>The NCP noted AFD had assumed its responsibilities and performed the appropriate due diligence vis-à-vis ENEO as recommended by the Guidelines and thanks the Agency for its transparency and co-operation. The NCP encouraged AFD to make sure that this labour dispute would be settled in accordance with national judicial decisions. It also recommended that the AFD Group and its partners launch a social and governance audit of ENEO based upon OECD principles for RBC. With these recommendations, the NCP concluded the specific instance as it was not useful to offer its good offices to the parties.</p> <p>In March 2015 the NCP concluded the specific instance and issued its final statement (in French) after consultation with the parties and the UK and US NCPs.</p> |

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|--------------------------|---|
| Lead NCP | Chile |
| Supporting NCP(s) | None |
| Description | Specific instance notified by a municipality regarding the activities of a foreign capital mining company operating in Chile. |
| Theme(s) | Environment |
| Date | 6 Nov 2014 |
| Host country(ies) | Chile |
| Source | Other interested parties |
| Industry sector | Mining and quarrying |
| Status | Concluded |
| Summary | <p>In November 2014, the Chilean NCP received a request for review from a municipality alleging that a multinational company had breached the environment provisions of the Guidelines with their operations in a specific region of Chile.</p> <p>The NCP undertook an initial assessment and focused on whether the questions raised by the applicant merited in-depth examination. Before the NCP contacted the multinational enterprise however, the applicant notified the NCP that they and the multinational enterprise were negotiating an agreement on the matter.</p> <p>On this basis, and having waited for a two-month period, the NCP concluded that the specific instance didn't need further, additional, consideration by the NCP. The NCP is preparing a final statement which will be posted to this page and the NCP's website when complete.</p> |

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| Lead NCP | United States |
| Supporting NCP(s) | Turkey |
| Description | Specific Instance between the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and Birlesik Metal-İscileri Sendikasi and Crown Holdings, Inc. for conduct in Canada and Turkey. |
| Theme(s) | General policies, Employment and industrial relations |
| Date | 6 Nov 2014 |
| Host country(ies) | Turkey |
| Source | Trade Union |
| Industry sector | Manufacturing |
| Status | Concluded |
| Summary | <p>On November 6, 2014, USW and Birleşik Metal-İŞ, both labour unions, submitted a request for review to the US NCP alleging non-observance of the Guidelines by the subsidiaries of Crown Holdings, Inc. in Canada and Turkey.</p> <p>The issues raised regarding the conduct of the Canadian subsidiary were resolved through external mediation.</p> <p>The issues raised regarding the conduct of the Turkish subsidiary alleged the use of intimidation and other forms of interference with employees' rights to organise.</p> <p>The US NCP accepted the specific instance and offered mediation services to assist the parties to seek a mutually agreed upon resolution of issues. Crown Holdings, Inc. rejected the offer of mediation due to resolution of a parallel judicial proceeding in their favour.</p> <p>The specific instance was concluded since a voluntary mediation process could not be established. In its final statement the US NCP provided recommendations and reiterated that simply complying with the law of a particular jurisdiction does not necessarily place a company in compliance with the Guidelines.</p> |

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| Lead NCP | Norway |
| Supporting NCP(s) | United States |
| Description | Specific instance notified by the trade unions United Steel Workers and Birlesik Metal IS regarding the activities of Crown Holdings International and the entity Norges Bank Investment Management (NBIM), as a minority shareholder, in Norway. |
| Theme(s) | Human rights |
| Date | 10 Nov 2014 |
| Host country(ies) | Norway |
| Source | Trade Union |
| Industry sector | Financial and insurance activities |
| Status | Concluded |
| Summary | <p>Combined initial assessment and final statement by the Norwegian NCP concluding the specific instance - 2 July 2015</p> <p>In November 2014, the Norwegian NCP received a request for review from the trade unions United Steel Workers (USW) and Birlesik Metal IS alleging that US company Crown Holdings Inc. and Norges Bank Investment Management (NBIM) had breached the human rights provisions of the Guidelines.</p> <p>The allegations were based on the assumption that Crown Holdings, domiciled in the USA, had not complied with the Guidelines. The trade unions had asked NBIM to contact the company with a view to getting it to stop its alleged undesirable activities, which were stated to include violations of labour rights in its Canadian and Turkish subsidiaries.</p> <p>The request raised questions about what type of due diligence can be expected of a minority shareholder, and questions of principle concerning application of the Guidelines in relation to financial institutions.</p> <p>During the initial assessment process, the NCP referred to an earlier specific instance involving Forum for Development and Environment and NBIM, at the conclusion of which, the NCP issued recommendations for NBIM on how to comply with the Guidelines. The NCP found that these recommendations should be maintained.</p> <p>After completing its initial assessment, the NCP concluded that it would not further the purpose of the Guidelines to undertake a new consideration of the same questions of principles concerning the financial sector's compliance with the Guidelines so shortly after the last consideration, and at the same time as the ongoing process at the OECD on specifying expectations of the financial sector vis-à-vis the Guidelines, including of minority shareholders. Accordingly, the NCP concluded the specific instance without further examination. The detailed reasons for this decision are published in the NCP's combined initial assessment and final statement.</p> |

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|--------------------------|--|
| Lead NCP | Norway |
| Supporting NCP(s) | Korea |
| Description | Specific instance notified by the NGOs, the Cotton Campaign, Anti-Slavery International, and KTNC Watch, regarding the activities of Daewoo International, its parent company POSCO and the entity Norges Bank Investment Management (NBIM), as a minority shareholder, in Norway. |
| Theme(s) | Human rights |
| Date | 3 Dec 2014 |
| Host country(ies) | Norway |
| Source | NGO |
| Industry sector | Financial and insurance activities |
| Status | Concluded |
| Summary | <p>Combined initial assessment and final statement by the Norwegian NCP concluding the specific instance - 2 July 2015</p> <p>In December 2014, the Norwegian NCP received a request for review from the NGOs the Cotton Campaign, Anti-Slavery International and KTNC Watch alleging that the Korean company Daewoo International, its parent company POSCO and the entity Norges Bank Investment Management (NBIM) had breached the human rights provisions of the Guidelines. The allegations were based on the assumption that Daewoo International and POSCO, domiciled in Korea, did not comply with the Guidelines. The NGOs had asked NBIM to contact the companies with a view to getting them to stop their alleged undesirable activities which were stated to include violations of labour rights in their Uzbekistan subsidiaries.</p> <p>The request to the NCP concerned NBIM's handling, investigations and follow-up of the alleged violations. It also raised questions about what type of due diligence can be expected of a minority shareholder, and questions of principle concerning the application of the Guidelines in relation to financial institutions.</p> <p>During the initial assessment process, the NCP referred to an earlier specific instance involving Forum for Development and Environment and NBIM, at the conclusion of which, the NCP issued recommendations for NBIM on how to comply with the Guidelines. The NCP found that these recommendations should be maintained.</p> <p>After completing its initial assessment, the NCP concluded that it would not further the purpose of the Guidelines to undertake a new consideration of the same questions of principles concerning the financial sector's compliance with the Guidelines so shortly after the last consideration, and at the same time as the ongoing process at the OECD on specifying expectations of the financial sector vis-à-vis the Guidelines, including of minority shareholders. Accordingly, the NCP concluded the specific instance without further examination. The detailed reasons for this decision are published in the NCP's combined initial assessment and final statement. Access further documentation on the NCP's website.</p> |

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|--------------------------|---|
| Lead NCP | Korea |
| Supporting NCP(s) | None |
| Description | Specific instance notified by the NGOs Korean Trans National Corporations Watch (KTNC Watch), Cotton Campaign, and Anti-Slavery International, regarding the activities of Daewoo International, KOMSCO and companies which had invested in Daewoo International operating in Uzbekistan. |
| Theme(s) | Human rights |
| Date | 3 Dec 2014 |
| Host country(ies) | Uzbekistan |
| Source | NGO |
| Industry sector | Financial and insurance activities |
| Status | Rejected |
| Summary | <p>In December 2014, the Korean NCP received a request for review by the NGOs Korean Trans National Corporations Watch (KTNC Watch), Cotton Campaign, and Anti-Slavery International, alleging that Daewoo International, KOMSCO and companies which had invested to Daewoo International had breached the human rights provisions of the Guidelines in Uzbekistan. More specifically the NGOs alleged that the companies had breached the Guidelines by continuing to purchase cotton produced in Uzbekistan through Daewoo Textile Fergana and Bukhara (two wholly-owned and operated subsidiaries of Daewoo International), despite their awareness of on-going state-sponsored forced labour in the country.</p> <p>The NCP undertook an initial assessment of the specific instance and, in July 2015, concluded that it did not merit further consideration. While acknowledging the link between the enterprises' activity and the issue of forced labour, the NCP did not consider that serious adverse impacts had been caused or encouraged by the business activities in question. The NCP also considered that the companies were not in a position to use leverage vis-a-vis the Uzbekistan government. The NCP also observed that the companies had already created internal guidelines for ethical business conduct, and in compliance with these internal guidelines, they had tried to prevent and mitigate adverse impacts in various ways. The NCP also took into consideration the outcome of a similar specific instance raised with the Norwegian NCP which was also rejected for further consideration.</p> <p>While not accepting the specific instance, the Korean NCP, recommends that the companies continue to monitor the situation and respond actively to every possible way concerning the issues related by means of dialogue and co-operation with the government of Uzbekistan, state-owned companies, related international organisations, NGOs, and local communities.</p> |
| Lead NCP | Germany |
| Supporting NCP(s) | Luxembourg, United States |
| Description | Specific instance notified by an NGO regarding the activities of a multinational enterprise headquartered in Luxembourg which provides satellite services to the US who used them in Yemen. |
| Theme(s) | Human rights |
| Date | 13 Jan 2015 |
| Host country(ies) | Yemen |
| Source | NGO |
| Industry sector | Information and communication |

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|----------------|---|
| Status | Rejected |
| Summary | <p>Final statement issued by the German NCP concluding the specific instance - 11 May 2015</p> <p>In January 2015 the German NCP received a request for review from an NGO alleging that a multinational enterprise had breached the human rights provisions of the Guidelines. More specifically the allegations relate to support services provided by the multinational enterprise to the US military service, which allegedly breached the human rights of persons affected by their military operations in Yemen.</p> <p>In undertaking an initial assessment of the specific instance, the NCP examined whether it was the competent NCP to deal with the NGO's request according to the implementation procedures of the Guidelines (see Implementation Procedures in the text and commentary of the Guidelines).</p> <p>Due to the fact that the company was incorporated in Luxembourg and its main operations centre for satellite operations is located in the US, any issues relating to general due diligence would therefore have to be dealt from there. No assertion has been made that the company's actions have had any adverse impacts in Germany and no sufficient assertion exists that the company itself conducts related activities in Germany.</p> <p>On these grounds the NCP has not accepted to consider this specific instance further and issued a final statement concluding the specific instance. As the specific instance did not proceed beyond the initial assessment stage, the names of the parties have not been made public.</p> |

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|--------------------------|--|
| Lead NCP | Germany |
| Supporting NCP(s) | None |
| Description | Specific instance notified by an NGO regarding the activities of a multinational enterprise headquartered in Germany providing communications technologies to a US company using them in Yemen. |
| Theme(s) | Human rights |
| Date | 20 Mar 2015 |
| Host country(ies) | Yemen |
| Source | NGO |
| Industry sector | Information and communication |
| Status | Rejected |
| Summary | <p>Final statement issued by the German NCP concluding the specific instance - 13 July 2015</p> <p>In March 2015 the German NCP received a request for review from an NGO alleging that a multinational enterprise had breached the human rights provisions of the Guidelines. More specifically the allegations related to a teaming agreement concluded between the German communications technology company and a US company which enables the use of communication technology in drones provided by the US-company. The NGO claims that these drones have been used by US armed forces for operations including in some countries on which no war had been declared, specifically in Yemen.</p> <p>After undertaking an initial assessment, the NCP concluded that it cannot consider the specific human rights violations because the drone attacks in question took place between 2012 and 2013 which dates to before the time the company concluded its agreement with the US company. And, while the company's website does not make any reference to responsibility for protecting human rights, the NCP is of the opinion that the company has adequately demonstrated in its correspondence with the NCP, that it fulfils its due diligence requirements in accordance with the requirements of the Guidelines. Furthermore the company has credibly demonstrated that the radio transmitters covered by the agreement with the US company are unable to navigate drones, particularly over large distances.</p> <p>On these grounds the NCP has not accepted to consider this specific instance further and issued a final statement concluding the specific instance. As the specific instance did not proceed beyond the initial assessment stage, the names of the parties have not been made public.</p> |

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|--------------------------|---|
| Lead NCP | Chile |
| Supporting NCP(s) | None |
| Description | Settlement of labour contract |
| Theme(s) | Employment and industrial relations, Human rights |
| Date | 15 May 2015 |
| Host country(ies) | Brazil, United States |
| Source | Individual |
| Industry sector | Construction |
| Status | Concluded |
| Summary | <p>On 15 May 2015, a Chilean individual submitted a notification to the Chilean NCP for alleged violations of the Guidelines. These violations were allegedly carried out by a multinational company of American origin through different employment contracts kept with its subsidiaries and representations in Brazil, Venezuela and Chile.</p> <p>The submission concerns a ruling on the termination of an individual contract of employment, signed over 40 years ago. The applicant requested a ruling on a matter of payment allegedly owed by the company in respect of an alleged breach of that work contract, plus subsequent compensation for damages.</p> <p>The NCP of Chile concluded that the submission transcended the limits and purpose of the Guidelines, and therefore did not accept the specific instance for further examination and issued a statement closing the specific instance.</p> |

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| Lead NCP | Brazil |
| Supporting NCP(s) | NA |
| Description | Specific instance alleging non-observance of the Guidelines by a Brazilian MNE which provided tear gas to Bahrain and other Gulf Cooperation Council countries. |
| Theme(s) | Human rights |
| Date | 22 September 2015 |
| Host country(ies) | Bahrain |
| Source | NGO |
| Industry sector | Professional, scientific and technical activities |
| Status | Rejected |
| Summary | Pending |

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|--------------------------|---|
| Lead NCP | Switzerland |
| Supporting NCP(s) | NA |
| Description | Specific instance brought by an individual concerning alleged breach of labour rights by his former employer Société Générale de Surveillance SA (SGS) |
| Theme(s) | General Policies, Employment and Industrial Relations |
| Date | 11 May 2015 |
| Host country(ies) | Mali |
| Source | Individual |
| Industry sector | Other service activities |
| Status | Rejected |
| Summary | This specific instance was brought by an individual concerning an alleged breach of labour rights by his former employer Société Générale de Surveillance SA. Specifically the individual raised the issue of insufficient compensation and termination of employment in contravention of the Labour Code of Mali. The issues in question arose over 10 years ago and have been treated and subsequently dismissed within several legal proceedings due to lack of sufficient evidence and statute of limitations issues. Based on these circumstances the Swiss NCP rejected the complaint and issued an initial assessment. |

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| Lead NCP | Italy |
| Supporting NCP(s) | Brazil |
| Description | Specific instance notified by an individual regarding the activities of an Italian multinational enterprise operating in Brazil. |
| Theme(s) | General policies, Disclosure, Human rights |
| Date | 17 Jun 2015 |
| Host country(ies) | Brazil |
| Source | Individuals |
| Industry sector | Mining and quarrying |
| Status | Rejected |
| Summary | <p>On 17 June 2015 the Italian NCP received a request for review from an individual alleging that he had been wrongfully dismissed by Agip do Brasil which was part of the ENI Group at the time of the dismissal. The individual had previously been working at the company in Brazil as a manager.</p> <p>On 2 July 2015, the NCP requested further information from the notifier regarding relevant sections of the Guidelines. The NCP noted that reference should be made to the Guidelines prior to the 2011 update. However, the notifier stated that developments had occurred in recent times and referred instead to the 2011 version. On 2 July the Italian NCP informed ENI S.p.A. of the request and on 9 July 2015, ENI S.p.A. submitted a note to the Italian NCP concerning the issues raised in this specific instance. On 15 July 2015 the Italian NCP contacted the Brazilian NCP for assistance because in June 2013 this request was submitted to the Brazilian NCP which rejected it since it did not meet the Brazilian NCP's criteria for admissibility. The Italian NCP received the information requested from the Brazilian NCP on 23 July 2015.</p> <p>The initial assessment of the Italian NCP dated 3 August 2015 notes that the issue submitted refers to facts dating back to 2001 and that it was settled by national courts in Brazil in 2004 and rejected by the Brazilian NCP in 2013. As such, the Italian NCP found that there was no room for mediation between the parties or any positive contribution to be given to the resolution of issues raised. Consequently, the Italian NCP finds that the request submitted does not merit further examination.</p> |

Annex III

Overview of National Contact Points

| NCP | Date of creation | Advisory body | Oversight body | Website | Procedures describing SI process online | N° of NCP-hosted events | N° of promotional events NCPs participated in | Proactive agenda participation advisory group | Cases filed from 2011 and pending >2 years | Cases closed >2011 with no final statement | Attended OECD NCP 2014 meeting | Attended OECD NCP 2015 meeting | Reported to OECD in 2014 | Reported to OECD in 2015 |
|----------------|------------------|---------------|----------------|---------|---|-------------------------|---|---|--|--|--------------------------------|--------------------------------|--------------------------|--------------------------|
| Argentina | 2000 | | | ▲ | ▲ | 0 | 0 | | 4 | 0 | ▲ | ▲ | ▲ | ▲ |
| Australia | 2000 | ▲ | | ▲ | ▲ | 0 | 3 | | 1 | 0 | ▲ | ▲ | ▲ | ▲ |
| Austria | 2000 | ▲ | ▲ | ▲ | ▲ | 6 | 0 | | 0 | 1 | ▲ | ▲ | ▲ | ▲ |
| Belgium | 2000 | ▲ | | ▲ | ▲ | 2 | 4 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Brazil | 2000 | ▲ | | ▲ | ▲ | 1 | 2 | | 2 | 1 | ▲ | ▲ | ▲ | ▲ |
| Canada | 2000 | | | ▲ | ▲ | 1 | 6 | ▲ | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Chile | 2000 | ▲ | | ▲ | ▲ | 5 | 12 | ▲ | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Colombia | 2011 | ▲ | | ▲ | ▲ | 12 | 25 | ▲ | 0 | 0 | ▲ | | ▲ | ▲ |
| Costa Rica | 2014 | | | | | 1 | 2 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Czech Republic | 2000 | | | ▲ | ▲ | 1 | 1 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Denmark | 2000 | | | ▲ | ▲ | 5 | 1 | ▲ | 0 | 1 | ▲ | ▲ | ▲ | ▲ |
| Egypt | | | | | | | | | | | | | ▲ | |
| Estonia | 2001 | | | ▲ | | 0 | 0 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Finland | 2000 | ▲ | | ▲ | ▲ | 9 | 0 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| France | 2000 | | | ▲ | ▲ | 9 | 44 | ▲ | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Germany | 2000 | ▲ | ▲ | ▲ | ▲ | 2 | 7 | ▲ | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Greece | 2000 | | | | | 0 | 3 | | 0 | 0 | ▲ | | | ▲ |
| Hungary | 2000 | | ▲ | ▲ | | 2 | 5 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Iceland | 2000 | | | ▲ | | | | | 0 | 0 | ▲ | | ▲ | |
| Ireland | 2000 | | | ▲ | ▲ | 0 | 0 | | 1 | 0 | | ▲ | | ▲ |
| Israel | 2002 | ▲ | | ▲ | | 0 | 5 | ▲ | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Italy | 2000 | ▲ | | ▲ | ▲ | 16 | 19 | ▲ | 0 | 1 | ▲ | ▲ | ▲ | ▲ |

| NCP | Date of creation | Advisory body | Oversight body | Website | Procedures describing SI process online | N° of NCP-hosted events | N° of promotional events NCPs participated in | Proactive agenda participation advisory group | Cases filed from 2011 and pending >2 years | Cases closed >2011 with no final statement | Attended OECD NCP 2014 meeting | Attended OECD NCP 2015 meeting | Reported to OECD in 2014 | Reported to OECD in 2015 |
|-----------------|------------------|---------------|----------------|---------|---|-------------------------|---|---|--|--|--------------------------------|--------------------------------|--------------------------|--------------------------|
| Japan | 2000 | ▲ | | ▲ | ▲ | 0 | 3 | ▲ | 0 | 1 | ▲ | ▲ | ▲ | ▲ |
| Jordan | | | | | | | | | | | | | | |
| Korea | 2000 | | | ▲ | ▲ | 1 | 1 | | 0 | 3 | ▲ | ▲ | ▲ | ▲ |
| Latvia | 2004 | | | ▲ | | 2 | 7 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Lithuania | 2001 | ▲ | ▲ | ▲ | | 0 | 0 | | 0 | 0 | ▲ | | ▲ | ▲ |
| Luxembourg | 2000 | | | | | 0 | 0 | | 0 | 0 | | | | ▲ |
| Mexico | 2000 | | | ▲ | ▲ | 2 | 2 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Morocco | 2009 | | | ▲ | ▲ | 0 | 1 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Netherlands | 2000 | ▲ | | ▲ | ▲ | 6 | 7 | ▲ | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| New Zealand | 2000 | ▲ | | ▲ | ▲ | 0 | 0 | | 1 | 0 | | | | ▲ |
| Norway | 2000 | | | ▲ | ▲ | 4 | 14 | ▲ | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Peru | 2008 | | | ▲ | ▲ | 1 | 1 | | 0 | 1 | ▲ | ▲ | ▲ | ▲ |
| Poland | 2000 | | | ▲ | ▲ | 2 | 7 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Portugal | 2000 | | | ▲ | | 0 | 0 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Romania | 2005 | ▲ | ▲ | ▲ | | 0 | 0 | | 0 | 0 | | ▲ | | ▲ |
| Slovak Republic | 2000 | | | | | 0 | 0 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Slovenia | 2009 | | | ▲ | | 0 | 0 | | 0 | 0 | ▲ | | ▲ | ▲ |
| Spain | 2000 | ▲ | | ▲ | ▲ | 0 | 5 | | 2 | 1 | ▲ | ▲ | ▲ | ▲ |
| Sweden | 2000 | | | ▲ | | 1 | 10 | ▲ | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Switzerland | 2000 | ▲ | | ▲ | ▲ | 0 | 7 | ▲ | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| Tunisia | 2013 | | | | | | | | 0 | 0 | ▲ | | ▲ | |
| Turkey | 2000 | | | ▲ | ▲ | 0 | 0 | | 0 | 0 | ▲ | ▲ | ▲ | ▲ |
| United Kingdom | 2000 | ▲ | ▲ | ▲ | ▲ | 17 | 14 | ▲ | 2 | 0 | ▲ | ▲ | ▲ | ▲ |
| United States | 2000 | ▲ | | ▲ | ▲ | 4 | 8 | ▲ | 0 | 1 | ▲ | ▲ | ▲ | ▲ |
| Totals | | 19 | 6 | 39 | 29 | 112 | 226 | 15 | 13 | 11 | 40 | 36 | 40 | 42 |

Annex IV

Events organised by National Contact Points

| | | |
|----------|--------------|---|
| Austria | 02-Dec-14 | Workshop on "Responsible Supply Chain Management", Vienna, Austria |
| | 02-Mar-15 | Evening-event "Pathway to Mutual Benefits", Vienna, Austria |
| | 3-4 Mar-15 | Mediation Workshop for NCPs "Creating Shared Knowledge on mediation and Crucial Processes for NCPs", Vienna, Austria |
| | 20-Mar-15 | Branches-Breakfast "Responsible Finance - Due Diligence in the financial sector", Vienna, Austria |
| | 14-Apr-15 | Business Lunch "Human Rights in corporate context", Vienna, Austria |
| | 16-Jun-15 | Webinar "Combating Bribery" |
| Belgium | Nov-14 | Roundtable on Conflict Minerals, Brussels, Belgium |
| | Jul-14 | Roundtable on Textile and Garment Industry, Brussels, Belgium |
| Brazil | 26-Jan-15 | III International Workshop on OECD Guidelines for Responsible Business Conduct, Rio de Janeiro, Brazil |
| Canada | 25-Jun-15 | NCP Annual Stakeholder Information Session, Ottawa, Canada |
| Chile | 13-14 Nov-14 | Mediation and the problem-solving role of NCPs a workshop with Latin America NCPs (Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico), Santiago de Chile, Chile |
| | 20-May-15 | OECD Guidelines for Multinational Enterprises and the Role of NCPs, University of Chile, Santiago, Chile |
| | 4-Aug-15 | OECD Guidelines for Multinational Enterprises and the Role of NCPs – Trade Unions perspective, Santiago, Chile |
| | 22-Oct-15 | II Annual Assembly of FENATRAOS, Loncura, V Region, Chile |
| | 27-Oct-15 | Annual Sustainability Summit, Santiago, Chile |
| Colombia | 04-Sep-14 | Advances in CSR by the Government of Colombia, Bogotá, Colombia |
| | 16-Sep-14 | Advances in CSR by the Government of Colombia, Bogotá, Colombia |
| | 02-Oct-14 | Advances in CSR by the Government of Colombia, Bogotá, Colombia |
| | 23-Oct-14 | Advances in CSR by the Government of Colombia, Bogotá, Colombia |
| | 24-Oct-14 | Advances in CSR by the Government of Colombia, Bogotá, Colombia |
| | 28-Oct-14 | Advances in CSR by the Government of Colombia, Bogotá, Colombia |
| | 19-Nov-14 | Workshop on the OECD Guidelines with multinationals, NGOs and trade unions, Bogotá, Colombia |
| | 19-Nov-14 | Workshop on the OECD Guidelines for NGOs with NGOs, Bogotá, Colombia |
| | 19-Nov-14 | Workshop on the OECD Guidelines for NGOs with trade unions, Bogotá, Colombia |
| | 23-Sep-15 | Promoting Responsible Business Conduct: OECD Guidelines and the role of NCPs, Bogotá, Colombia |
| | 23-Sep-15 | Promoting Responsible Business Conduct: Workshop for Civil Society, Bogotá, Colombia |
| | 24-Sep-15 | Promoting Responsible Business Conduct: Workshop for companies, Bogotá, Colombia |

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| Costa Rica | 11-Dec-14 | "Las Lineas Directrices para Empresas Multinacionales: experiencia del Punto Nacional de Contacto del Reino Unido" (The OECD Guidelines for Multinational Enterprises: Experience of the National Contact Point of the United Kingdom), Costa Rica |
| Czech Republic | 10-Nov-15 | The Social Responsibility Of Businesses and the OECD Guidelines for Multinational Enterprises – application and benefits, Czech Republic |
| Denmark | 20-Nov-14 | Danish CSR and Responsible Business Conduct, Copenhagen, Denmark |
| | 07-Oct-15 | Side-event at the annual CSR Awards, Copenhagen, Denmark |
| | 09-Nov-15 | Danish CSR and Responsible Business Conduct, Dhaka, Bangladesh |
| | 25-Nov-15 | Conference on non-financial due diligence, Copenhagen, Denmark |
| | 26-Nov-15 | Exploratory workshop on non-financial due diligence, Copenhagen, Denmark |
| Finland | 27-Nov-14 | Roundtable on the grocery sector, Ministry for Foreign Affairs, Merikasarmi, Helsinki |
| | 20-Jan-15 | Roundtable on the grocery sector, Ministry for Foreign Affairs, Merikasarmi, Helsinki |
| | 12-Feb-15 | Roundtable on the grocery sector, Ministry of Employment and the Economy, Aleksanterinkatu 4, Helsinki |
| | 25-Feb-15 | Roundtable on the textile industry, Ministry of Employment and the Economy, Aleksanterinkatu 4, Helsinki |
| | 5-Mar-15 | Roundtable on the grocery sector, Ministry for Foreign Affairs, Merikasarmi, Helsinki |
| | 26-Mar-15 | Roundtable on the grocery sector, Ministry for Foreign Affairs, Merikasarmi, Helsinki |
| | 16-Apr-15 | Roundtable on the textile industry, Ministry of Employment and the Economy, Eteläesplanadi 4, Helsinki |
| | 8-May-15 | Roundtable on the textile industry, Ministry of Employment and the Economy, Eteläesplanadi 4, Helsinki |
| | 4-Jun-15 | Roundtable on the grocery sector, Ministry for Foreign Affairs, Merikasarmi, Helsinki |
| France | 12-Jun-14 | Rencontre annuelle du PCN avec le MEDEF, Paris, France |
| | 19-Sep-14 | Rencontre du PCN avec le Groupe Oxyane Décathlon, Paris, France |
| | 10-Oct-14 | Entretien du PCN avec M. A. Hachtuel, Directeur adjoint du Centre de gestion Scientifique à Mines ParisTech et avec Mme Blanche Segrestin, Professeur, Paris, France |
| | 28-Nov-14 | Rencontre du PCN avec l'Association Française des Entreprises Privées (AFEP), Paris, France |
| | 06-Jan-15 | Rencontre du PCN avec la Business Social Compliance Initiative (BSCI), Paris, France |
| | 06-Feb-15 | Rencontre du PCN avec le Global Social Compliance Programme (GSCP), Paris, France |
| | 10-Feb-15 | Rencontre annuelle du PCN avec le MEDEF, Paris, France |
| | 14-Apr-15 | Troisième Réunion annuelle d'information du PCN français, Paris, France |
| | 11-May-15 | Sensibilisation aux enjeux de la responsabilité sociétale des entreprises du secteur extractif et aux actions engagées par l'OCDE en la matière, Paris, France |
| Germany | 10-11-Mar-15 | Workshops in the context of the G7 conference „Promoting decent work worldwide through sustainable supply chains", Berlin, Germany |
| | 07-Oct-15 | State based non judicial complaint mechanisms, Berlin, Germany |
| Hungary | 8-9-Oct-15 | Conference on Responsible Business Conduct and the OECD Guidelines for Multinational Enterprises, Budapest, Hungary |
| | 24-25-Nov-15 | Workshop on the OECD Guidelines for Multinational Enterprises, Budapest, Hungary |

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| Italy | 09-Apr-15 | Seminar at Regional level to promote the Guidelines and RBC, Modena, Italy |
| | 11-May-15 | Seminar at Regional level to promote the Guidelines and RBC, Piacenza, Italy |
| | 29-May-15 | Seminar at Regional level to promote the Guidelines and RBC, Ravenna, Italy |
| | 16-Jul-15 | Seminar at Regional level to promote the Guidelines and RBC, Bologna, Italy |
| | 11-Mar-15 | Seminar at Regional level to promote the Guidelines and RBC, Napoli, Italy |
| | 26-Mar-15 | Seminar at Regional level to promote the Guidelines and RBC, Napoli, Italy |
| | 20-Feb-15 | Seminar at Regional level to promote the Guidelines and RBC, Salerno, Italy |
| | 20-Feb-15 | Seminar at Regional level to promote the Guidelines and RBC, San Miniato, Italy |
| | 19-May-15 | Seminar at Regional level to promote the Guidelines and RBC, Firenze, Italy |
| | 06-May-15 | Seminar at Regional level to promote the Guidelines and RBC, Perugia, Italy |
| | 13-May-15 | Seminar at Regional level to promote the Guidelines and RBC, Milano, Italy |
| | 04-Jun-15 | Seminar at Regional level to promote the Guidelines and RBC, Ancona, Italy |
| | 11-Jun-15 | Seminar at Regional level to promote the Guidelines and RBC, Bari, Italy |
| | 11-Jun-15 | Workshops on sustainable supply chain management in the Fashion Industry – pilot project for the Implementation of the Action plan on Bangladesh, Prato, Italy |
| Korea | 08-Jul-15 | Workshops on sustainable supply chain management in the Fashion Industry – pilot project for the Implementation of the Action plan on Bangladesh, Prato, Italy |
| | Mar-Apr 15 | Forum on CSR – Space for responsibility, Naples, Italy |
| Korea | 25-Nov-15 | Seminar for multinational enterprises at the Seoul International Dispute Resolution Centre, Seoul, Korea |
| Latvia | 24-Nov-15 | Transparency and Disclosure in Business – an Opportunity or Risk?, Riga, Latvia |
| | 06-Nov-14 | Earn today or invest tomorrow? Business solutions and experience, Riga, Latvia |
| Mexico | 09-Dec-14 | First National Forum on Corporate Social Responsibility, Mexico City, Mexico |
| | 06-Oct-15 | Second National Forum on Corporate Social Responsibility, Mexico City, Mexico |
| Netherlands | 28-Nov-14 | Stakeholders meeting 'the social impact of their supply chain', Netherlands |
| | 23-Apr-15 | Stakeholder event on 'Effective mediation within your company of sector', Netherlands |
| | 17-Jun-15 | Dinner event in preparation for the Netherlands' Presidency of the EU 2016', Netherlands |
| | 17-Oct-15 | Self-evaluation of the Dutch NCP, advisory members and their key-stakeholders, Netherlands |
| | 23-Oct-15 | Yearly Training workshops for members of the Works Council. Representative advisory Board, Netherlands |
| | 27-Oct-15 | Conference on 'Achieving a living wage in the agriculture/food & electronics/technological manufacturing supply chain', Netherlands |
| Norway | Jun-14 | Importance of transparency and reporting breakfast meeting with CSR Norway, Norway |
| | Jan-15 | OECD Guidelines special focus on textile sector, Sao Paulo, Brazil |
| | Jul-05 | Human Rights Due Diligence series of three workshops held in 2015 for 15 Norwegian businesses, Norway |
| | 12-Nov-15 | Norway's National Action Plan on Business and Human Rights event with Ethical Trade Initiative and Ministry of Foreign Affairs, Norway |
| Peru | 19-Nov-15 | Investment Climate and OECD Guidelines for Business, Trujillo city, Peru |

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| Poland | 23-24-Oct -14 | OECD Guidelines for multinational enterprises and trade unions. Recommendations for responsible business conduct in a global context and the perspective of co-operation. Workshop for the Visegrad Group countries, Katowice, Poland |
| | 26-27-Oct -15 | Plan for a Better Future. The role of the NGOs in the implementation of the UN Guiding Principles on Business and Human Rights and development of the National Action Plan on Business and Human Rights.", Warsaw, Poland |
| Sweden | Jan-15 | Event on the topic of workers' rights and industrial relations in Thailand, Bangkok, Thailand |
| United Kingdom | Jul-14 | Outreach meeting: UK Extractives Multi-National Company, London, UK |
| | Jul- 14 | Outreach meeting: Pension Fund Sector, London, UK |
| | Aug- 14 | Financial Sector Consultation (1), London, UK |
| | Aug- 14 | Financial Sector Consultation (2), London, UK |
| | Sep- 14 | Civil Society Event, London, UK |
| | Sep- 14 | Presentation to the Advisory Council of UK Export Finance, London, UK |
| | Oct- 14 | Promotion of the Guidelines and the complaints mechanism to the Indigenous Peoples Delegation from the Philippines, London, UK |
| | Jan- 15 | Outreach meeting: UK Extractives Multi-National Company, London, UK |
| | Apr-15 | Outreach meeting: UK Textile & Garment Multi-National Company, London, UK |
| | Apr- 15 | Outreach meeting: International Business Consultants, London, UK |
| | Jun- 15 | Outreach meeting: UK Multi-National Law firm, London, UK |
| | Jul- 15 | UK NCP & IHRB Workshop on the IT Sector, London, UK |
| | Oct- 15 | Presentation to the researcher from the Law Society Research, London, UK |
| | Oct- 15 | UK NCP & OECD Expert Working Session on Responsible Business Conduct in the Financial Sector, London, UK |
| United States | 15-Dec-14 | Stakeholder Outreach Meeting on the OECD Guidelines and U.S. NCP, New York City, USA |
| | 6-Feb-15 | Stakeholder Outreach Meeting on the OECD Guidelines and U.S. NCP, Berkeley, California, USA |
| | 4-Apr-15 | Stakeholder Outreach Meeting on the OECD Guidelines and U.S. NCP, Norman, Oklahoma, USA |
| | 16-Apr-15 | Stakeholder Outreach Meeting on the OECD Guidelines and U.S. NCP -Washington, DC, USA |

Annex V

Participation in proactive agenda advisory groups

| NCP | Mineral supply chains | Stakeholder engagement in the extractive industries | RBC in the financial sector | Responsible agricultural supply chains | Responsible textile and garment sector supply chains | Participation in one or more groups |
|----------------|-----------------------|---|-----------------------------|--|--|-------------------------------------|
| Argentina | | | | | | |
| Australia | | | | | | |
| Austria | | | | | | |
| Belgium | | | | | | |
| Brazil | | | | | | |
| Canada | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ |
| Chile | | | | ▲ | | ▲ |
| Colombia | ▲ | ▲ | | ▲ | | ▲ |
| Costa Rica | | | | | | |
| Czech Republic | | | | | | |
| Denmark | | | | | ▲ | ▲ |
| Egypt | | | | | | |
| Estonia | | | | | | |
| Finland | | | | | | |
| France | ▲ | ▲ | | ▲ | ▲ | ▲ |
| Germany | ▲ | | | ▲ | ▲ | ▲ |
| Greece | | | | | | |
| Hungary | | | | | | |
| Iceland | | | | | | |
| Ireland | | | | | | |
| Israel | ▲ | | | | | ▲ |

| NCP | Mineral supply chains | Stakeholder engagement in the extractive industries | RBC in the financial sector | Responsible agricultural supply chains | Responsible textile and garment sector supply chains | Participation in one or more groups |
|-----------------|-----------------------|---|-----------------------------|--|--|-------------------------------------|
| Italy | | | | | ▲ | ▲ |
| Japan | ▲ | | | | | ▲ |
| Jordan | | | | | | |
| Korea | | | | | | |
| Latvia | | | | | | |
| Lithuania | | | | | | |
| Luxembourg | | | | | | |
| Mexico | | | | | | |
| Morocco | | | | | | |
| Netherlands | ▲ | ▲ | | ▲ | ▲ | ▲ |
| New Zealand | | | | | | |
| Norway | | ▲ | ▲ | | | ▲ |
| Peru | | | | | | |
| Poland | | | | | | |
| Portugal | | | | | | |
| Romania | | | | | | |
| Slovak Republic | | | | | | |
| Slovenia | | | | | | |
| Spain | | | | | | |
| Sweden | | | | | ▲ | ▲ |
| Switzerland | ▲ | | ▲ | ▲ | | ▲ |
| Tunisia | | | | | | |
| Turkey | | | | | | |
| United Kingdom | | | ▲ | | | |
| United States | ▲ | ▲ | | ▲ | ▲ | ▲ |

Annex VI

Denmark NCP Peer Review Report: Key findings and recommendations

The Denmark NCP for the Guidelines underwent a voluntary peer review in March 2015. The broad purpose of the review was to support the Denmark NCP to assess, and where necessary, improve its performance and effectiveness in relation to its function as an NCP under the Guidelines. The Denmark NCP also intends to use this peer review to inform a domestic review of the Parliamentary Act on the Danish NCP. A Peer Review team comprised of Norway, Germany and the United Kingdom conducted the review, which included a series of consultations with the Denmark NCP and its key stakeholders in Copenhagen.

The Denmark NCP was revised in 2012 under the Parliamentary Act on the Danish NCP. Through this act, the NCP was named the Mediation and Complaints Handling Institution for Responsible Business Conduct (MKI). Based on its consultations, the Peer Review Team observes that the new Denmark NCP is generally perceived across stakeholder groups as a highly credible institution that is visible, accessible, transparent, impartial and accountable. This report shares further detailed findings and recommendations on the core functions of the NCP, including its institutional arrangements, its promotion of the Guidelines, and its handling of specific instance complaints.

Institutional Arrangements: The NCP draws significant legitimacy from key aspects of its institutional arrangements, including its independent structure, its multi-stakeholder composition reflecting key constituencies, and the fact that it is empowered to initiate complaints, conduct investigations, and issue final statements. At the same time, the Peer Review Team observes implications from the fact that the NCP draws its mandate from two sources, the Guidelines and the Danish Parliamentary Act. Specifically, the domestic legislation places greater emphasis on the complaints-handling function of the MKI, which may contribute to a lack of clarity among stakeholders on the promotional mandate of the MKI as Denmark's NCP.

With regard to its institutional arrangements, the Peer Review Team recommends that the Danish NCP:

- Clarify and confirm the mandate of the MKI as Denmark's NCP to promote the Guidelines and communicate this clearly to stakeholders;
- Raise the profile of the Guidelines within the domestic mandate of the MKI;
- Reconcile inconsistencies between the domestic mandate of the MKI and the OECD mandate of the MKI as Denmark's NCP, such as the statute of limitations on complaints.

Promotion of the Guidelines and Handling Enquiries: The Denmark NCP has undertaken a number of activities to raise awareness about the NCP and promote the Guidelines, including speaking engagements, collaborations with key stakeholder

partners, publications that are widely disseminated and an active website. The NCP is also currently completing a consultative process to develop greater strategic focus for its future promotional activities. Stakeholders expressed a desire for more practical guidance from the NCP on implementation of the Guidelines.

With regards to the promotion function, the Peer Review Team recommends that the Danish NCP:

- Shift the focus of promotion activities from awareness-raising to providing practical guidance on implementation of the Guidelines, including leveraging learning from specific instance complaints;
- Continue to take forward the initiative to develop strategic focus for its promotion activities, develop a more proactive stakeholder outreach strategy as part of that initiative, and share learning and results from these experiences with other NCPs;

Dealing with Specific Instances: The Denmark NCP has developed comprehensive rules of procedure for handling specific instance complaints. Nevertheless, the relevant case experience of the NCP is limited. A high number of complaints have not been accepted because the complaints did not pertain to the Guidelines. Parties to accepted complaints were generally positive about their experiences participating in the procedures, although this view was not uniform. Stakeholders raised specific concerns about confidentiality with respect to the identities of parties and the evidentiary threshold for complaints.

With regard to specific instances, the Peer Review Team recommends that the Danish NCP:

- Clarify with stakeholders the NCP's expectations around confidentiality and anonymity of parties named in specific instance complaints;
- Clarify requirements around the evidentiary threshold necessary to substantiate a specific instance complaint with stakeholders;
- Consider requiring complainants to identify relevant sections of the Guidelines as part of their complaint;
- Assess the specific needs of SMEs as respondents in complaints, given the high proportion of SMEs in the Danish economy;
- Leverage learning from specific instance complaints more effectively, in support of the promotion agenda of the NCP.

Proactive Agenda: Although the Denmark NCP has undertaken certain activities to contribute to the proactive agenda, this engagement has been limited. There may be opportunities for greater engagement with the proactive agenda, which would support the request from stakeholders for more guidance from the NCP on implementation of the Guidelines in practice.

With regard to the proactive agenda, the Peer Review Team recommends that the Danish NCP:

- Seek additional opportunities to engage Danish business and civil society in the Proactive Agenda initiatives of the OECD.
- Follow-Up: The Peer Review Team invites the Denmark NCP to report back on implementation of these recommendations within one year.

Annex VII

Statements by institutional stakeholders

Business and Industry Advisory Committee (BIAC)

Business, as represented by the Business and Industry Advisory Committee (BIAC), has long recognised the importance of responsible business conduct in a globalised world. BIAC considers responsible business conduct as promoted by the MNE Guidelines to be an essential part of an open investment climate and in the best interest of business.

To that end, BIAC is committed to work in partnership with the OECD, national governments and multinational enterprises to support effective implementation of the updated Guidelines and promote them in adhering countries and beyond. To raise awareness of the MNE Guidelines among companies, BIAC and its member associations organised and participated in multiple events. The 2015 annual BIAC General Assembly included a special session on the MNE Guidelines and implications of OECD work on responsible business conduct for companies.

In 2015, BIAC also issued and widely distributed its new brochure on the MNE Guidelines, available on the BIAC [website](#), to ensure that companies are aware of this key instrument and their concrete implications for business.

In 2015 and for the third time, BIAC carried out a survey among its members to gather information about the visibility of the MNE Guidelines, the practical experience of companies in the NCP process and the performance of NCPs in light of their core criteria. The final paper, which is available on the BIAC [website](#), summarises the key results of the survey and contains specific recommendations to help ensure that the NCP process is understood as a mediation platform where all involved parties work together on the basis of trust towards a future-oriented solution that is in the interest of all parties.

Recognising the importance of a well-functioning NCP system, BIAC, TUAC and OECD Watch issued a joint statement, supporting efforts to further strengthen the performance of NCPs, in particular those that have to catch up, including through the exchange of best practices and the organisation of peer reviews. The joint statement was presented to the OECD in October 2015 and is available on the BIAC [website](#).

BIAC maintained a strong presence at the annual Global Forum on Responsible Business Conduct in June 2014 and 2015, and remained an active partner in the projects on the proactive agenda of the MNE Guidelines to ensure that the concrete experience of different sectors, including food and agriculture, finance, textiles and extractive sectors, is duly reflected. BIAC members were active in the various advisory groups and related conferences and as well as the May 2015 Forum on Responsible Mineral Supply Chains.

BIAC continued to call for active outreach efforts to non-adhering countries and participated in the May 2015 meeting in China, which focused on national approaches to responsible business conduct and the role of the MNE Guidelines.

Trade Union Advisory Committee (TUAC)

The effective implementation of the OECD Guidelines through well-resourced and authoritative National Contact Points (NCPs) is a high priority for TUAC, its affiliates and trade union partners. The upcoming 40th Anniversary of the Guidelines represents a major landmark and an opportunity to take stock of what has been achieved – and what remains to be done. It also coincides with a period of political significance following commitments made by G7 Leaders and OECD Ministers in 2015 to improve the functioning of the NCPs, and for G7 NCPs to “*lead by example*”.

To kick off the 40th Anniversary reflections, TUAC organised a preparatory Roundtable in December 2015. The discussions revealed a consensus across the board that the priority is to improve NCP performance, while trade unions and NGOs underlined the need to increase the authority of NCPs in the face of companies’ refusal to participate in the NCP process.

TUAC welcomes the commitments made by the OECD Working Party on Responsible Business Conduct in 2015 to an Action Plan for strengthening NCPs, including by increasing the number and rigour of peer reviews, and applauds those NCPs that have signed up for peer review. In a joint statement, TUAC, BIAC and OECD Watch have called on the OECD to provide the necessary resources to implement this agenda.¹

TUAC is concerned, however, that these measures will be insufficient to improve outcomes for affected workers and communities. In a 15-point plan², published in 2015 to mark the 15th anniversary of the NCPs³, TUAC called on NCPs to introduce consequences for companies that refuse to participate in the Guidelines, building on the good practice of Canada. It also called on the Working Party to undertake a revision of the rules governing the functioning of NCPs.

In 2014 and 2015, TUAC was active in the trade union/NGO campaign to pay compensation to the victims of Rana Plaza. The Trust Fund, established to make payments to the victims, was successfully closed in June 2015. TUAC considers that the OECD and NCPs contributed to this success, and that their activities on compensation, and Rana Plaza more widely, are a positive example of a pro-active approach to addressing adverse impacts on matters covered by the Guidelines.

TUAC’s own activities in 2014 and 2015 focused mainly on strengthening the NCPs and building trade union capacity to use the Guidelines. TUAC conducted a number of training events, working with trade union partners, as well as NCPs. The Hungarian and Polish NCPs were involved as co-organisers and the Chilean, French, Mexican and UK NCPs as speakers: June-Dec 2014: Cameroon, Philippines, Poland; 2015: China, Hungary, Sri Lanka, US. TUAC also published its Trade Union Guide to the Guidelines in 4 languages: Arabic, Chinese, Portuguese and Russian.⁴

¹. TUAC, BIAC, OECD Watch, (2015) [Joint Statement](#).

². TUAC (2015), [15-Point Plan for National Contact Points](#).

³. NCPs have existed in their current form since 2000.

⁴. The [Guide](#) is now available in 12 languages.

OECD Watch

2015 marked the 15-year anniversary of NCPs in their current form and mandate. To mark this occasion, OECD Watch conducted a quantitative and qualitative analysis of 250 complaints filed by communities, individuals and NGOs over the past 15 years. The results, published in the report *Remedy Remains Rare* in June 2015, indicated that that complaints filed with NCPs rarely lead to beneficial results for complainants. The study identified critical challenges throughout the NCP system, particularly with regard to accessibility, impartiality and transparency. Analysis of the cases during the June 2014-December 2015 implementation cycle reveals that the challenges of accessibility and impartiality continue to hamper NCPs' effectiveness. Of the 49 NGO/community cases filed or concluded in the June 2014-December 2015 period, a full 50% has been rejected by NCPs, and only 7 cases have been concluded with a joint agreement between the parties.

OECD Watch's insistence on the need to improve NCP performance was underscored by the G7 leaders in the declaration released following the June 2015 G7 summit.

If the NCP system is to be considered an effective instrument for implementing the OECD Guidelines and providing access to remedy for the victims of irresponsible business conduct, urgent action is needed to address practical and procedural barriers that prevent potential complainants from filing a complaint, the perceived lack of independence and impartiality of some NCPs, the prioritisation of confidentiality over transparency, frequent nonconformity with procedural timelines, and outcomes that are incompatible with the Guidelines.

Remedy Remains Rare found a strong correlation between successful cases with at least a partial remedy-related outcome and NCPs that are comprised of independent expert bodies, have a balanced tripartite structure or have a multi-stakeholder oversight body as part of their governance structure. This evidence strengthens OECD Watch's conviction that effective NCPs include stakeholders need to be established before the OECD Guidelines reach their full potential and serve as a much-needed forum for accessing remedy for corporate abuses.

OECD Watch commends the work of the OECD IC and WPRBC secretariat during the June 2014-December 2015 implementation cycle, particularly the initiative to formulate plan of action to address the functioning and performance of NCPs. In October 2015, OECD Watch joined BIAC and TUAC in calling for the OECD and member states to sufficiently fund the WPRBC's work on improving NCP performance. OECD Watch believes that if the NCP system is to remain relevant in the shifting landscape of corporate accountability, a system-wide change is needed to achieve a more standardized and effective treatment of complaints, with an ultimate focus on providing a forum for remedy for corporate misconduct. In particular, OECD Watch believes that concrete improvements and additional specifications in the Procedural Guidance will make the most significant contribution to improving effective access to remedy for corporate misconduct. While a Procedural Guidance review is necessary to set the standard for handling complaints, the recent practice of conduct peer reviews can already now serve an important role in promoting excellence and functional equivalence among NCPs on an on-going basis.

OECD Watch therefore applauds that the Danish and Belgian NCPs for having volunteered for peer review in the past implementation cycle. To further distil NCP

practices and policies that have proven most successful, peer reviews must be conducted in a consistent, mandatory requirement for all NCPs.

OECD Watch is committed to improving the implementation and effectiveness of the OECD Guidelines by increased global NGO coordination, continued outreach and case support to civil society organisations. In 2014 and 2015, OECD Watch and its member organisations raised awareness and built capacity among local civil society organisations to use the OECD Guidelines in countries such as Brazil, Cambodia, Colombia, India, Kenya, Poland and Turkey. OECD Watch also produced key reference materials in Portuguese, Burmese, and Turkish.

Annex VIII

Highlights of projects in specific sectors

Responsible supply chains of minerals from conflict-affected and high-risk areas

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| Key outcomes | <p>Continued cooperation with the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCME), with the support of China's Ministry of Commerce (MOFCOM), led to the development of <i>Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains</i>, which are based on the OECD Minerals Guidance and were launched in Beijing in December 2015</p> <p>Continued co-operation with the European Commission on draft regulation for mineral importers and exporters in Europe based on the OECD Minerals Guidance</p> <p>Capacity building in major mineral producing, refining and consuming regions such as the Democratic Republic of the Congo, Rwanda and India on mineral supply chain due diligence, human rights risks and artisanal and small-scale mining</p> <p>Research on gold supply chains and associated risks in the African Great Lakes region and Colombia (see publications below) to facilitate responsible sourcing of artisanal mined gold from high-risk area</p> |
| Key events | <p>9th ICGLR-OECD-UN Forum on Responsible Mineral Supply Chains, Paris, 4-6 May 2015</p> <p>Roundtable on Responsible Gold, New Delhi, 20 November 2015</p> <p>International Workshop on Responsible Mineral Supply Chains, Beijing, 2-3 December 2015</p> <p>Presentation of the OECD Minerals Guidance at numerous external events</p> |
| Publications | <p>Gold supply chain baseline assessments in the African Great Lakes region (including supply links to Uganda and the United Arab Emirates) and Latin America (Colombia, Panama)</p> <p>Mineral supply chain and conflict links in Eastern DRC; joint publication with the International Peace Research Institute (IPIS)</p> <p>Report to OECD Council on monitoring the implementation of the recommendation on due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas, notably on the progress made by adherent governments (to be published in 2016)</p> |

Stakeholder engagement in the extractives sector

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| Key outcomes | Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector approved by the Investment Committee Implementation Plan approved by the Working Party on RBC |
| Key events | Meetings of the Advisory Group, June 2014 and June 2015 Online public consultation on the Guidance with comments collected from over 30 organisations, April-June 2015 Panels on RBC in the extractive sector, Global Forum on Responsible Business Conduct, June 2014 and June 2015 Presentation of the Guidance at the Ethical Corporation Extractive Summit (June 2015) and the French Ministry of Environment (September 2015) |
| Publications | Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector |

Agricultural supply chains

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|---------------------|---|
| Key outcomes | OECD-FAO Guidance for Responsible Agricultural Supply Chains approved by the Investment Committee, the Committee for Agriculture and FAO Implementation Plan of the OECD-FAO Guidance approved by the Working Party on RBC Council Recommendation approved by the Working Party on RBC |
| Key events | Meetings of the Advisory Group, June 2014, March 2015 and June 2015 Online public consultation, January-February 2015 Panels on responsible agricultural supply chains and due diligence along agricultural supply chains at the Global Forum on Responsible Business Conduct, 27 June 2014 and 19 June 2015 Presentation of the OECD-FAO Guidance at numerous external events |
| Publications | OECD-FAO Guidance for Responsible Agricultural Supply Chains |

Garment and footwear supply chains

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|---------------------|---|
| Key outcomes | <p>Movement towards a common understanding of due diligence in the garment and footwear supply chain by governments, business, workers and civil society.</p> <p>Increased engagement on responsible supply chains in the garment and footwear sector between key producing countries, in particular China, India, Cambodia and Bangladesh, and the OECD.</p> |
| Key events | <p>Roundtable on Due Diligence in the Garment and Footwear Supply Chain, Paris, October 2015</p> <p>Responsible Business in the Apparel & Textile Sector Roundtable as part of the India and Sustainability Standards International Dialogues and Conference 2015, New Delhi, November 2015)</p> <p>China Consultation on Draft OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, co-hosted with the Chinese National Textile and Apparel Council (CNTAC), Beijing, December 2015</p> <p>Meetings of the Advisory Group, March, June and October 2015</p> |

Financial sector

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|---------------------|--|
| Key outcomes | <p>Working Party on RBC approves Terms of Reference for the project</p> <p>Assembly of Advisory Group to support the project</p> <p>First draft of Guidelines for Multinational Enterprises: Institutional Investment and Due Diligence</p> |
| Key events | <p>Workshop on the Guidelines for Multinational Enterprises: A perspective from pension fund asset managers and asset owners, December 2014</p> <p>Expert meeting on RBC and Institutional Investment, October 2015</p> <p>Panels on RBC and the financial sector and on preventing and mitigating adverse impacts: appropriate responses from investors, Global Forum for Responsible Business Conduct, June 2014 and June 2015</p> |
| Publications | <p>First draft of Guidelines for Multinational Enterprises: Institutional Investment and Due Diligence</p> |

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

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